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Donald W. Quander
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February 27, 2007

Kate Whitney
Public Service Commission
1701 Prospect Avenue
P. O. Box 202601
Helena, MT 59620-2601

Re: Docket No. D2007.2.18

Dear Ms. Whitney:

Please find enclosed for filing the Application of Chinook Wireless for Designation as an Eligible Telecommunications Carrier.

Please note that certain supporting exhibits being filed with the Commission and Montana Consumer Counsel have been identified as "confidential" pursuant to the Protective Order in this case. These exhibits (E-2 and F-1 through F-8) are labeled "confidential" and are accompanied by a "Non-Confidential Summary" of the documents.

This Application is being mailed to the parties identified on the Certificate of Service enclosed. If you have any questions, please contact me at (406) 252-2166.

Very truly yours,

Donald W. Quander
of Holland & Hart ^{LLP}
Counsel to MTPCS, LLC d/b/a Chinook Wireless

DWQ:asf
Enclosures
cc: Service List
3674833_1.DOC

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**DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA**

IN THE MATTER OF MTPCS, LLC d/b/a)	UTILITY DIVISION
CHINOOK WIRELESS, Application for)	
Designation as an Eligible Telecommunications)	DOCKET NO. D2007.2.18
Carrier)	

CERTIFICATE OF SERVICE

I hereby certify that I have caused copies of the Application of Chinook Wireless for Designation as an Eligible Telecommunications Carrier to be served by first class mail, postage prepaid, on this date to the parties as shown below:

VIA OVERNIGHT DELIVERY

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Respectfully submitted this 27th day of February, 2007.

MTPCS, LLC d/b/a Chinook Wireless

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BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

* * * * *

IN THE MATTER OF MTPCS,
LLC d/b/a CHINOOK
WIRELESS, Application for
Designation as an Eligible
Telecommunications Carrier

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DOCKET NO. D2007.2.18

**APPLICATION OF CHINOOK WIRELESS
FOR DESIGNATION AS AN ELIGIBLE TELECOMMUNICATIONS CARRIER**

MTPCS, LLC d/b/a Chinook Wireless ("Chinook Wireless" or "Chinook") submits this Application for Designation as an Eligible Telecommunications Carrier ("ETC") pursuant to Montana Code Annotated, MCA 69-3-840 and the Administrative Rules of Montana, ARM 38.5.3201, et seq. (the "ETC Rules"), as well as Section 214(e)(2) of the Telecommunications Act of 1996, ("1996 Act"), 47 U.S.C. § 214(e)(2), and Section 54.201 of the rules of the Federal Communications Commission ("FCC"), 47 C.F.R. § 54.201. Chinook requests that it be designated as eligible to receive all available support from the federal Universal Service Fund ("USF"), including support for rural, insular and high-cost areas and low-income customers.

In support of its Application, Chinook provides the following Exhibits:

- Direct Testimony of Jonathan Foxman, Exhibit A;
- Direct Testimony of Ernie Peterson, Exhibit B;
- Direct Testimony of Patrick M. Monroe, Exhibit C;
- Map of proposed ETC service area, Exhibit D;
- Engineer's Report Regarding Proposed Build-out (non-confidential), Exhibit E-1

- Engineer's Report Regarding Proposed Build-out (confidential), Exhibit E-2
- Maps Depicting the Underlying Incumbent Local Exchange Company's Service Area, Population Coverage and Chinook's Current Network Coverage and Proposed Facilities Build-out, Confidential Exhibits F-1 through F-8;
- Letters of Support,¹ Exhibit G;
- Chinook's Rate Plan Description, Exhibit H;
- Affected Qwest Wire Centers, Exhibit I;
- Affected Rural Local Exchange Company Study Areas, Exhibit J;
- Copy of the CTIA Consumer Code for Wireless Service, Exhibit K; and
- Chinook's High-Cost Certification Letter, Exhibit L.

In further support of its Application, Chinook states as follows:

I. Background.

1. The name and address of Applicant are MTPCS, LLC d/b/a Chinook Wireless, 1211 NW Bypass, Great Falls, Montana 59404.
2. Chinook is the holder of FCC authorizations to provide Personal Communications Service ("PCS") in Montana throughout the following Basic Trading Areas ("BTAs"): Billings, MT (BTA041); Butte, MT (BTA064); Missoula, MT (BTA300); Helena, MT (BTA188); Bozeman, MT (BTA053); Kalispell, MT (BTA224); and Riverton, WY (BTA375), all of which are portions of the Spokane-Billings Major Trading Area (MTA042). Its combined FCC-licensed service area covers almost the entire state of Montana, excepting that portion of Lincoln

^{1/} These include letters from the Governor's Office of Economic Development, the Missoula Economic Development Corporation, the Boards of County Commissioners of Cascade County, Hill County, Pondera County, and Teton County, the Madison County Telecommunications Committee, the Butte Local Development Corporation, and Ken Holmes, a Fairfield farmer, rancher and school bus driver.

County which is not in MTA042.² Chinook's Operations Headquarters is located in Great Falls, it just opened a new Technical Operations office in Missoula, and ninety percent of its employees live and work in Montana.

II. Applicable Statutes and Rules.

3. This Application is made pursuant to the requirements of the MCA 69-3-840 and ARM 38.5.3201, et seq. In addition, this Application is made pursuant to 47 U.S.C. §§ 153(27), 153(44), 153(46), 214(e), 253(b), 254(e) and 332(c)(3), as well as 47 C.F.R. §§ 51.5, 54.5, 54.101, 54.201, 54.207, 54.313 and 54.314.

III. Chinook's Eligibility and the Identification of the Service Area.

4. Chinook is a commercial mobile radio service ("CMRS") provider as described in the definition of "mobile service" set forth in 47 U.S.C. § 153(27). Chinook provides interstate telecommunications services as defined in 47 U.S.C. § 153(46) and 47 C.F.R. § 54.5.

IV. Chinook Complies, or Within a Reasonable Time Following Designation Will Comply, With ARM 39.5.3209(2).

5. Under the provisions of ARM 38.5.3209(2) implementing federal and state law,³ an Applicant for ETC status must demonstrate that it is or will be within a reasonable time following designation:

- (a) offering the services that are supported by the federal universal service support mechanisms as required by 47 C.F.R. § 54.201(d)(1) and identified in 47 C.F.R. § 54.101 and 47 U.S.C. § 254(c);

^{2/} Chinook is not licensed for BTA 425 (Spokane, WA), which includes the far northwest corner of Montana. Chinook's licenses, however, do include Kalispell and its surrounding areas.

^{3/} See MCA 69-3-840 and 47 U.S.C. § 214(e)(1). In its *First Report and Order* implementing Sections 214(e) and 254, the FCC set forth the services a carrier must offer in order to be designated as an ETC and thus receive federal universal service support. *Federal-State Joint Board on Universal Service, Report and Order*, 12 FCC Rcd 8776, 8809-25 (1997) ("*First Report and Order*").

- (b) advertising the availability of the supported services and the charges for those services using media of general distribution as required by 47 C.F.R. § 54.201(d)(2);
- (c) providing the supported services throughout the designated service area to all customers making a reasonable request for service, including low-income, low-density, rural, insular, and high-cost customers, and, for service in rural areas, in a manner reasonably comparable and at a rate reasonably comparable to similar services offered in urban areas;
- (d) satisfying applicable consumer protection and service quality standards; and
- (e) offering a local usage plan comparable to the one offered by the incumbent local exchange carrier.

In addition, in accordance with ARM 38.5.3209(2)(f), the Applicant must demonstrate that its designation of ETC status is in the public interest.

As described more fully below and in the supporting Direct Testimony of Jonathan Foxman, Ernie Peterson, and Patrick M. Monroe, Chinook demonstrates that it satisfies or will satisfy the provisions of ARM 38.5.3209(2), as well as other provisions of Montana law and Montana Public Service Commission ("MPSC") rules, and it should be designated an ETC in Montana.

6. Section 214(e)(2) of the 1996 Act provides that ETC designations shall be made for a "service area" designated by the state commission. A map of Chinook's proposed ETC service area is attached hereto as Exhibit D. Chinook seeks designation as an ETC within a service area covering the study area(s) of Blackfoot Telephone Cooperative, Inc. ("Blackfoot"), a

rural incumbent local exchange carrier ("ILEC"),⁴ 3 Rivers Telephone Cooperative Inc., ("3 Rivers"), also a rural ILEC, and Qwest Corporation ("Qwest"), a non-rural ILEC.

7. In areas served by a non-rural company, the state commission may establish an ETC service area for a competitor without federal concurrence.⁵ Accordingly, Chinook requests designation for the non-rural portion of its ETC service area in the wire centers served by non-rural company Qwest, listed in Exhibit I attached hereto.

8. In areas served by a rural telephone company, "service area" means the local exchange carrier ("LEC") study area unless and until the FCC and the states, taking into account recommendations of the Federal-State Joint Board on Universal Service, establish a different definition of service area for such company.⁶ Chinook's proposed ETC service area covers the entire study area of each of the affected rural telephone companies (3 Rivers and Blackfoot). Therefore, the MPSC may designate Chinook as an ETC in all requested areas without the need to redefine any rural ILEC service areas. Attached as Exhibit J is a list of the affected rural ILEC study areas, each of which is covered in its entirety by Chinook's proposed ETC service area.

V. Chinook Offers the Supported Services Required To Qualify For Federal USF Support In Accordance With ARM 38.5.3209(2).

^{4/} Chinook seeks designation in the Blackfoot study area listed with the Universal Service Administrative Company ("USAC") as "Blackfoot Tel - BTC" and corresponding to Study Area Code 482235. The 3 Rivers study area is SAC 482255 and the Qwest study area is SAC 585104.

^{5/} 47 U.S.C. § 214(e)(5).

^{6/} 47 C.F.R. § 54.207(b).

A. ARM 38.5.3209(2)(a).

9. ARM 38.5.3209(2)(a) requires the Applicant to offer the services supported by the federal universal service support mechanisms as required by 47 C.F.R. §54.201(d)(1) and identified in 47 C.F.R. §54.101 and 47 U.S.C. § 254(c). Section 54.101 of the FCC's rules sets forth a nine-point checklist of required services supported by the Federal USF. These services are:

- (1) voice grade access to the public switched network;
- (2) local usage;
- (3) dual tone multi-frequency signaling or its functional equivalent;
- (4) single-party service or its functional equivalent;
- (5) access to emergency services;
- (6) access to operator services;
- (7) access to interexchange service;
- (8) access to directory assistance; and
- (9) toll limitation for qualifying low-income consumers.

See 47 C.F.R. § 54.101(a).

10. Chinook is a full-service wireless carrier offering all these services within the State of Montana, as described in detail below and in the Direct Testimony of Patrick M. Monroe and Ernie Peterson. Chinook therefore satisfies the requirements of ARM 38.5.3209(2)(a).

11. VOICE GRADE ACCESS. Chinook provides voice grade access to the public switched network through direct and indirect interconnection arrangements with local telephone companies, including Qwest and Blackfoot.⁷ Chinook offers its subscribers this service at bandwidths between 300 and 3,000 hertz, as required by 47 C.F.R. § 54.101(a)(1), thereby providing voice grade access. Chinook's handsets modulate a signal based on this full spectrum of voice frequencies, allowing transmission and communication of these frequencies. Chinook's

^{7/} Chinook and 3 Rivers are currently arbitrating the terms of an interconnection agreement between the parties.

service also meets the Commission's requirement that transmission quality equal or exceed - 104dBm.⁸ See Direct Testimony of Patrick M. Monroe.

12. **LOCAL USAGE.** Chinook has a variety of rate plans that provide local usage consistent with 47 C.F.R. § 54.101(a)(2). The Montana Rules and FCC orders require that the applicant offer at least one local usage plan that is comparable to one offered by the incumbent LEC in the service areas for which the applicant seeks designation.⁹ As explained in the attached Direct Testimony of Ernie Peterson, Chinook offers several service plans providing consumers with local usage that are comparable to a wireline rate plan offered by the incumbent LECs in the service areas for which Chinook seeks designation. Moreover, Chinook will continue to introduce new rate plans to attract customers and meet their demands.

13. **DTMF SIGNALING.** Chinook provides the functional equivalent of DTMF signaling. Specifically, Chinook provides SS7 signaling, which is overtaking former signaling protocols throughout much of the telecommunications industry. See Direct Testimony of Patrick M. Monroe.

14. **SINGLE PARTY SERVICE.** "Single-party service" means that only one party will be served by a subscriber loop or access line, in contrast to a multi-party line.¹⁰ Chinook provides single party service, as that term is defined in 47 C.F.R. Section 54.101. See Direct Testimony of Patrick M. Monroe.

15. **ACCESS TO EMERGENCY SERVICES.** Chinook currently provides 911 access to emergency services in every area where its service is available. In addition, Chinook provides

^{8/} In the Matter of Sagebrush Cellular, Inc., Final Order, Docket No. D2004.1.7, Order No. 6687a (Dec. 7, 2005), p. 10) ("Sagebrush Order").

^{2/} ARM 38.5.3209(2)(e); Federal-State Joint Board on Universal Service, Report and Order, 20 FCC Rcd 6371, 6385 (2005) ("ETC Report and Order") (The FCC declined to adopt a specific local usage threshold or require that an applicant match the incumbent's offering).

^{10/} See First Report and Order, *supra*, 12 FCC Rcd at 8810.

Enhanced 911 Phase I service in Cascade, Gallatin, Yellowstone and Chouteau counties and is deploying Phase I service to additional counties. Also, Chinook is currently in the process of deploying Phase II Enhanced 911 service and is keeping interested parties apprised of its progress. Patrick M. Monroe's Direct Testimony discusses how Chinook provides customers with access to emergency services.

16. **ACCESS TO OPERATOR SERVICES.** Customers can reach operator services by dialing "411". As described in the Direct Testimony of Patrick M. Monroe, operator services are provided by means of trunks that connect Chinook's switching center to an operator call center staffed with representatives trained to answer and appropriately handle customer calls.

17. **ACCESS TO INTEREXCHANGE SERVICES.** Chinook has signed interconnection agreements with interexchange carriers. These arrangements enable Chinook to provide its customers access to interexchange services. Customers may also "dial around" to reach their interexchange carrier of choice. *See* Direct Testimony of Patrick M. Monroe.

18. **ACCESS TO DIRECTORY ASSISTANCE.** Subscribers to Chinook's services are able to dial "411" or "(NPA) 555-1212" to reach directory assistance from their mobile phones. Access to directory assistance is provided using the same technical configuration described above for operator services. *See id.*

19. **TOLL LIMITATION.** If designated as an ETC, Chinook commits to provide toll limitation to Lifeline consumers by utilizing its toll blocking capabilities. *See id.*

B. ARM 38.5.3209(2)(b).

20. ARM 38.5.3209(2)(b) requires the Applicant to advertise the supported services and charges for those services using media of general distribution as required by 47 C.F.R. § 54.201(d)(2).

21. As described in Patrick M. Monroe's Direct Testimony, Chinook will advertise the availability of each of the supported services detailed above, throughout its designated ETC service area, by media of general distribution.¹¹ The methods of advertising utilized may include newspaper, magazine, direct mailings, public exhibits and displays, bill inserts, and telephone directory advertising. In addition, Chinook will advertise the availability of Lifeline and Link-Up benefits throughout its service area by referencing such benefits in advertising and reaching out to community health, welfare, and employment offices to provide information to those people most likely to qualify for Lifeline and Link-Up benefits.

C. ARM 38.5.3209(2)(c).

22. ARM 38.5.3209(2)(c) requires the Applicant to provide the supported services throughout the designated service area to all customers making a reasonable request.

23. Chinook will provide the supported services throughout the designated service areas to all customers making a reasonable request for service, or for rural areas, in a manner reasonably comparable and at a rate reasonably comparable to similar services offered in urban areas.¹² As described in the Direct Testimony of Patrick M. Monroe, Chinook will use the same six-step process for provisioning service approved by the FCC. Under this process, Chinook will assist customers requesting service by providing, where feasible, enhanced equipment such as an external fixed antenna, a "cell extender" or a telephone that operates on higher power, adjustment of Chinook's existing antennas, installing a "repeater" to improve service, or the construction of new infrastructure.¹³ In addition, Chinook will use all available support to

^{11/} See also 47 C.F.R. § 54.201

^{12/} *Virginia Cellular, LLC*, 19 FCC Rcd 1563, 1570-71 (2004) ("*Virginia Cellular*"). Several petitions for reconsideration of the FCC's *Virginia Cellular* order remain pending.

^{13/} *Id.*

improve, maintain and upgrade its network so as to provide service to as many requesting consumers as possible at the earliest possible date. With ETC designation, Chinook commits to offer Lifeline and Link-Up discounts to qualifying low-income consumers.

D. ARM 38.5.3209(2)(d).

24. ARM 38.5.3209(2)(d) requires the Applicant to satisfy applicable consumer protection and service quality standards.

25. Chinook commits to meet all applicable consumer protection and service quality standards, to the same extent imposed by the Commission in the *Sagebrush Order*.¹⁴ Chinook commits to use high-cost support in its service area to improve coverage and channel capacity to improve system performance to achieve a signal strength of -104 dBm or greater throughout the area where customers request service. Chinook also commits to comply with the CTIA Consumer Code for Wireless Service ("Consumer Code").¹⁵ See Direct Testimony of Patrick M. Monroe.

E. ARM 38.5.3209(2)(e).

26. ARM 38.5.3209(2)(e) requires an Applicant to demonstrate that it offers a local usage plan comparable to one offered by the incumbent local exchange carrier. As discussed in paragraph 12, *supra*, and as detailed in the Testimony of Ernie Peterson and Exhibit H, Chinook

^{14/} See, e.g., *Sagebrush Order*.

^{15/} A carrier following the Consumer Code commits, among other things, to disclose to its customers the details of all of its rate plans, including the geographic area covered, the monthly base charges, number of minutes, charges for minutes exceeding the plan amount, per-minute long distance charges, all additional taxes and fees, the amount of any activation or service initiation charge, and any early termination fee. Taxes and fees are to be stated separately in the invoice from charges for service and features. Customers are to be given at least fourteen days to try out the service. A copy of the Consumer Code is attached as Exhibit K.

offers several plans with local usage and rates comparable to those offered by the ILEC in the service areas for which Chinook seeks designation.

F. ARM 38.5.3209(2)(f).

27. ARM 38.5.3209(2)(f) requires the Applicant to demonstrate that the requested ETC designation is in the public interest. As discussed in Section VI, *infra*, and the Direct Testimony of Jonathan Foxman and Ernie Peterson, Chinook's designation as an ETC is in the public interest.

VI. Granting Chinook's Application Would Serve the Public Interest.

28. For Chinook to be designated in areas served by rural telephone companies, the Commission must find that a grant of ETC status would serve the public interest.¹⁶ In numerous cases decided by the FCC and this and other state commissions, the question of whether it is in the public interest to designate a wireless carrier in areas served by rural ILECs has been decided in the affirmative.¹⁷ In areas served by non-rural ILECs, the Act does not require a separate

^{16/} See 47 U.S.C. § 214(e)(2).

^{17/} See, e.g., *Virginia Cellular*, *supra*; *Highland Cellular, Inc.*, 19 FCC Rcd 6422, (2004) ("*Highland Cellular*"); *Guam Cellular and Paging, Inc. d/b/a Saipancell*, 19 FCC Rcd 13872 (2004) ("*Saipancell*"); *Cellular South License, Inc.*, 17 FCC Rcd 24393 (2002), *recon. pending* ("*Cellular South Alabama Order*"); *NPCR, Inc. d/b/a Nextel Partners*, 19 FCC Rcd 16530 (2004) ("*Nextel Order*") (designating wireless carrier as an ETC in both rural and non-rural areas of Alabama, Florida, Georgia, New York, Pennsylvania, Tennessee and Virginia); *Western Wireless Corp.*, 16 FCC Rcd 48 (2000) ("*WWC Wyoming Order*"), *Order on Reconsideration*, 16 FCC Rcd 19144 (2001) ("*WWC Wyoming Recon. Order*"); *Alaska DigiTel*, Docket U-02-39, Order No. 10, Order Granting Eligible Telecommunications Carrier Status and Requiring Filings (Aug. 28, 2003) ("*ADT Alaska Order*"); *RCC Minnesota, Inc.*, Docket No. OAH Docket No. 3-2500-15169-2, PUC Docket No. PT6182,6181/M-02-1503 (Minn. PUC, June 30, 2003) ("*RCC Minnesota Order*"); *Midwest Wireless Communications, LLC*, OAH Docket No. 3-2500-4980-2, PUC Docket No. PT6153/AM-02686 (March 19, 2003) ("*Midwest Minnesota Order*"); *RCC Minnesota, Inc.*, Docket No. 04-RCCT-338-ETC (Kansas Corp. Comm'n, Sept. 30, 2004); ("*RCC Kansas Order*"); *GCC License Corporation*, Docket No. 99-GCCZ-156-ETC (Kansas Corp. Comm'n, Oct. 15, 2001) ("*GCC Kansas ETC Order*"), *recon. denied* (Nov. 30, 2001); *Smith Bagley, Inc.*, Utility Case No. 3026, Recommended Decision of the Hearing Examiner and Certification of Stipulation at pp. 9-10 (Aug. 14, 2001) ("*SBI New Mexico Recommended Decision*"), *aff'd*, Final Order (N.M. Pub. Reg. Comm. Feb. 19, 2002) ("*SBI New Mexico Order*"); *Smith Bagley, Inc.*, Docket No. T-02556A-99-0207 at p. 12 (Ariz. Corp. Comm'n Dec. 15, 2000) ("*SBI Arizona Order*"); *Midwest Wireless Iowa, L.L.C.*, Docket No. 199 IAC 39.2(4) (Iowa Util. Bd. July 12, 2002) ("*Midwest Iowa Order*"); *United States Cellular Corp. et al.*, Docket No. 199 IAC 39.2(4) (Iowa Util. Bd. Jan. 15, 2002) ("*U.S. Cellular Iowa*").

public interest finding. The FCC has previously held that designating a competitor as an ETC in areas served by non-rural ILECs is *per se* in the public interest.¹⁸ Although the FCC now states, that with respect to petitions filed at the FCC, designating a competitive ETC in areas served by non-rural ILECs will not necessarily be in the public interest in every case, the FCC has ruled that a showing of public interest in areas served by a rural ILEC is sufficient to demonstrate that a grant in areas served by a non-rural ILEC should be made.¹⁹ Chinook demonstrates that its designation in non-rural ILEC areas will be in the public interest based on its strong showing pertaining to rural ILEC areas set forth below.²⁰

Order"); *ALLTEL Communications, Inc.*, Case No. U-13765 (Mich. P.S.C. Sept. 11, 2003) ("*ALLTEL Michigan Order*"); *RFB Cellular, Inc.*, Case No. U-13145 (Mich. PSC Nov. 20, 2001) ("*RFB Michigan Order*"); *N.E. Colorado Cellular, Inc.*, Docket No. 00A-315T (Colo. PUC Dec. 21, 2001) ("*NECC Colorado Order*"); *Western Wireless Holding Co.*, Decision on Exceptions, Docket No. 00A-174T (Colo. PUC May 4, 2001) ("*Western Colorado Order*"); *RCC Minnesota, Inc. et al.*, Docket No. 2002-344 (Maine PUC, May 13, 2003) ("*RCC Maine Order*"); *Centennial Cellular Tri-State Operating Partnership et al.*, Docket No. 2003-UA-0234 (Miss. PSC, Aug. 10, 2004) ("*Centennial Mississippi Order*"); *GCC License Corp.*, App. No. C-1889 (Neb. PSC Nov. 21, 2000) ("*GCC Nebraska Order*"), *aff'd*, 264 Neb. 167 (2002); *Northwest Dakota Cellular of North Dakota Limited Partnership d/b/a Verizon Wireless et al.*, Case No. PU-1226-03-597 et al. (N.D. PSC, Feb. 25, 2004) ("*Verizon Wireless N. D. Order*"); *Western Wireless Corp.*, Case No. PU-1564-98-428, Order on Remand (N.D. PSC Oct. 3, 2001) ("*Western N.D. Order*"); *RCC Atlantic, Inc.*, Docket No. 6394 (Vt. Pub. Serv. Bd., Sept. 29, 2004) ("*RCC Vermont Rural Order*"); *GCC License Corp.*, Docket No. TC98-146 (S.D. PUC Oct. 18, 2001) ("*GCC S.D. Order*"), *aff'd*, 623 N.W.2d 474 (2001); *Easterbrooke Cellular Corp.*, Docket No. 03-0935-T-PC (W. Va. PSC, May 14, 2004) ("*Easterbrooke W.V. Rural Order*"), *aff'd* by Final Order Aug. 27, 2004 ("*Easterbrooke W.V. Final Order*"); *Centennial Lafayette Communications, LLC et al.*, Order on Reconsideration, Docket No. U-27174 (La. PSC May 26, 2004) ("*Centennial Louisiana Order*"); *NPCR, Inc. d/b/a Nextel Partners*, Docket No. U-27289 (La. PSC, June 9, 2004) ("*Nextel Louisiana Order*"); *RCC Minnesota, Inc.*, Docket No. 1084 (Oregon PUC, June 24, 2004) ("*RCC Oregon Order*"); *United States Cellular Corp.*, Docket No. UM 1084 (Oregon Public Utility Comm'n, June 24, 2004) ("*U.S. Cellular Oregon Order*"); *United States Cellular Corp., et al.*, Docket No. UT-970345, Third Supplemental Order Granting Petition for Designation as Eligible Telecommunications Carriers (Wash. Util. & Transp. Comm'n Jan. 27, 2000) ("*U.S. Cellular Washington Order*"), *aff'd sub nom. Wash. Indep. Tel. Assn. v. WUTC*, 65P.3d, 319 (2003); *AT&T Wireless PCS of Cleveland, LLC, et al.*, Docket No. UT-043011 (Wash. Util. & Transp. Comm'n, April 13, 2004) ("*AT&T Washington Order*"); *Airadigm Communications, Inc.*, Docket No. 7989-TI-105 (Wisc. PSC, March 26, 2004) ("*Airadigm Wisconsin Order*"); *Sagebrush Order, supra*; *Cable & Communications Corp., d/b/a Mid-Rivers Cellular*, Docket No. D2003.8.105, Order No. 6518a (MTPSC April 7, 2005), *recon. denied*, Order No. 6518b (May 25, 2005) ("*Mid-Rivers Order*").

^{18/} *Cellco Partnership d/b/a Bell Atlantic Mobile*, 16 FCC Rcd 39, 45 (2000).

^{19/} *Virginia Cellular, supra*, 19 FCC Rcd at 1575.

^{20/} See *NPCR, Inc. d/b/a Nextel Partners, Inc.*, Case No. 2003-00143 (KYPSC Dec. 16, 2004) ("*Nextel Kentucky Order*") at p. 7. See also *Smith Bagley, Inc.*, Docket No. 04-000289, Recommended Decision at p. 12 (N.M. Nov. 24, 2004) ("*SBI Gallup Decision*"), *aff'd* by state commission Dec. 7, 2004.

29. The public interest is to be determined by following the guidance provided by Congress in the 1996 Act, by the FCC in its enabling orders,²¹ and by the MPSC in its ETC Rules. The overarching principles embodied in the 1996 Act are to “promote competition and reduce regulation ... secure lower prices and higher quality services ... and encourage the rapid deployment of new telecommunications technologies.”²² In its implementing orders, the FCC ruled that the pro-competitive and deregulatory directives from Congress required universal service support mechanisms to be competitively neutral and portable among eligible carriers.²³

30. The MPSC must determine whether designation of Chinook as an ETC will promote the principles embodied in the 1996 Act, specifically the goal of ensuring that consumers in rural, insular, and high-cost areas “have access to telecommunications and information services, including interexchange services and advanced telecommunications and information services, that are reasonably comparable to those services provided in urban areas and are available at rates that are reasonably comparable to rates charged for similar services in urban areas.”²⁴ To that end, the factors adopted by the MPSC and set forth in ARM 38.5.3210 are designed to aid the Commission in making this public interest assessment.

²¹/ *First Report and Order, supra; ETC Report and Order, supra; Federal-State Joint Board on Universal Service, Ninth Report and Order and Eighteenth Order on Reconsideration*, 14 FCC Rcd. 20432, 20480 (1999) (“*Ninth Report and Order*”); *Fourteenth Report and Order, Twenty-Second Order on Reconsideration, and Further Notice of Proposed Rulemaking*, 16 FCC Rcd 11244 (2001) (“*Fourteenth Report and Order*”). See also *NAACP v. FCC*, 425 U.S. 662, 669 (1976). Accord, *Office of Communication of the United Church of Christ v. FCC*, 707 F.2d 1413, 1427 (D.C. Cir. 1983); *Bilingual Bicultural Coalition on Mass Media, Inc. v. FCC*, 595 F.2d 621, 628 & n.22 (D.C. Cir. 1978).

²²/ 1996 Act (preamble).

²³/ *First Report and Order, supra*, 12 FCC Rcd at 8801, 8861-62; *Ninth Report and Order, supra*, 14 FCC Rcd at 20480.

²⁴/ 47 U.S.C. § 254(b)(3).

A. ARM 38.5.3210.

31. Pursuant to ARM 38.5.3210, the determination of whether an applicant's designation as an ETC will serve the public interest may include consideration of eleven factors. Chinook provides the following detail supporting how its Application satisfies each factor.

- (a) *the ability of the eligible telecommunications carrier to provide the supported services in the manner required.*

32. In Section IV above, Chinook confirmed that it will provide all of the services on the nine-point checklist set forth in the FCC's rules. Moreover, as discussed *infra* and as further demonstrated in Direct Testimony of Patrick M. Monroe, Chinook will provide service to consumers throughout its designated ETC service area upon reasonable request by following the six-step service provisioning process approved by the FCC and several other states. See Direct Testimony of Patrick M. Monroe, pp. 8-9. Chinook also commits to use high-cost support to invest in areas in which it otherwise would not invest, building new facilities and upgrading infrastructure to expand and improve coverage. See Exhibit E-1, Confidential Exhibit E-2, and Confidential Exhibits F-1 through F-8. See also Direct Testimony of Jonathan Foxman, pp. 7, 9-10; Direct Testimony of Ernie Peterson, pp. 5-6.

- (b) *the ability and willingness of the eligible telecommunications carrier to comply with all laws governing eligible telecommunications carriers.*

33. Chinook has the ability and is committed to fully complying with all federal and state laws that govern wireless ETCs. Chinook understands that non-compliance could lead to the revocation of ETC designation. Chinook will fully comply with all applicable reporting requirements, including filings that: (1) describe build-out plans (filed at six-month intervals); (2) provide a map of actual coverage capabilities to be filed within 60 days of a final order and

every six months thereafter for the duration of the build-out period; (3) report on quality of service including the number of unsatisfied service requests and the number of customer complaints (quarterly); (4) report on federal universal service fund receipts (from both the High-Cost and Low-Income programs of the USF, on a quarterly basis); and (5) contain filed rate plans. Chinook will cooperate with any audit or investigation conducted by the Commission under ARM 39.5.3216. In addition, Chinook understands ARM 38.5.3218 to involve an annual certification process for ETCs and commits to comply with such process. Chinook also commits to comply with this Commission's service quality rules and all other applicable ARM provisions. See Direct Testimony of Ernie Peterson.

- (c) *the ability of a service area to support or continue to support an additional eligible telecommunications carrier.*

34. There is no question that all service areas in which Chinook seeks designation can support an additional ETC. Since 1996, when federal high-cost support was made available to competitors, there have been more than 180 competitive ETC designations in areas served by rural ILECs around the country.²⁵ Chinook is not aware of a single case where the designation of a competitive ETC resulted in a rural LEC withdrawing as an ETC, losing high-cost support, or raising its rates. Because rural ILECs do not lose federal high-cost support even if a competitive ETC is successful, it is extremely unlikely that a rural ILEC would withdraw. Indeed, the Washington Utilities and Transportation Commission directly rejected the notion that competitive ETC designations are harmful, stating that:

The Commission's experience is that this approach, if not benefiting customers (which it does), certainly is not failing customers. In the five years since we first designated an additional

²⁵/ See Universal Service Administrative Company, 2005 Annual Report at p. 8.

ETC in areas served by rural telephone companies, the Commission has received only two customer complaints in which the consumers alleged that a *non-rural*, wireline ETC was not providing service. No Rural ILEC has requested an increase in revenue requirements based on need occasioned by competition from wireless or other ETCs.”²⁶

35. As shown below, there are significant consumer and economic benefits to designating a wireless carrier as a competitive ETC in rural areas. To date, Chinook is not aware of any evidence that these benefits are offset by any speculative harm that rural areas cannot sustain an additional ETC. On information and belief, five competitive ETCs have previously been designated in Montana, and none have been designated in the rural ILEC areas within Chinook’s proposed ETC service area.

- (d) *the effect designation of an additional eligible telecommunications carrier will have on an existing eligible telecommunications carrier, primarily in regard to the provision of services and cost as relates to density, terrain, service, and so forth.*

36. Since Chinook is not proposing to serve less than an entire ILEC study area, there are no concerns with respect to a rural carrier being harmed by new construction Chinook will undertake as a result of its designation. As discussed above in paragraphs 34 and 35, Chinook is unaware of any ILEC that has ever demonstrated redressable harm as a result of a competitive ETC designation. Under the FCC’s current rules, ILECs generally do not lose support when a competitive ETC is designated,²⁷ and thus it is unclear how an ILEC could be harmed by the designation of a competitive ETC.

²⁶/ *Sprint Corp. d/b/a Sprint PCS et al.*, Docket No. UT-043120 at p. 11 (Wash. Util. and Transp. Comm’n, Jan. 13, 2005)(emphasis in original).

²⁷/ The sole exception is Interstate Access Support (IAS), which is capped for all recipients pursuant to the *CALLS* plan developed by a consortium of ILECs and approved by the FCC.

- (e) *whether the eligible telecommunications carrier technology platform is compatible with broadband and other advanced service offerings and facilitates availability of advanced telecommunications and information services in the areas served.*

37. Chinook places a high value not only on voice call coverage, but also on high-quality data features and functionality. To that end, Chinook has deployed state-of-the-art GSM/EDGE data functionality at every cell site providing voice service that it operates in Montana, and will provide that functionality at every new cell site it constructs.²⁸ In addition to enabling many Montanans to experience GSM voice features and service quality that was not available previously, Chinook offers them its EDGE wireless data service, built on the GSM foundation. The EDGE network is capable of delivering peak data transmission speeds of up to 473 kbps, with average transmission speeds between 160 and 200 kbps. Chinook's network accommodates numerous applications that were not previously available to Montanans, including advanced devices that provide truly mobile e-mail and Internet access. These range from state-of-the-art handsets to Internet tablets to EDGE-enabled laptops.

- (f) *the ability of the eligible telecommunications carrier to provide equal access to interexchange carriers in the event no other eligible telecommunications carrier is providing equal access in the service area.*

38. As required of applicants before the FCC pursuant to the *ETC Report and Order*,²⁹ Chinook acknowledges that the FCC may require it to provide equal access to interexchange carriers in the event no other ETC is providing equal access in the designated ETC

^{28/} Although an ETC is not permitted to spend federal high-cost universal support on network facilities that are used exclusively for the provision of data services, such support can be spent on such facilities that are used for both voice and data, such as the GSM/EDGE network facilities discussed *supra*.

^{29/} See *ETC Report and Order, supra*, 20 FCC Rcd at 6386.

service area. Chinook commits to meet all applicable equal access requirements in any such instance.

- (g) *the extent to which the eligible telecommunications carrier is able to provide service to customers throughout the service area using the eligible telecommunications carrier's own network.*

39. Chinook plans to provide service to all consumers, upon reasonable request, using its own facilities, throughout the area within which designation is received. As described in the Direct Testimony of Patrick M. Monroe, Chinook will use the same six-step process for provisioning service approved by the FCC. In addition, Chinook will use all available support to improve and upgrade its network so as to provide service to as many requesting consumers as possible at the earliest possible date.

- (h) *the effect that designation or maintenance of status will have on the availability of universal service funds.*

40. As discussed in (c) above, there is no indication that competitive ETC designations adversely affect incumbent LECs or their customers. Incumbents' support does not decrease as a direct result of competitive ETC designations. Additionally, as discussed in Section VI.B.3, *infra*, Chinook's designation as an ETC will not significantly burden the federal universal service fund.

- (i) *the effect that designation or maintenance of status will have on the principles of universal service.*

41. Chinook submits that its designation as an ETC in Montana will advance the principles of universal service as set forth by Congress, the FCC, and this Commission. These principles enumerated in the 1996 Act are, in pertinent part: (i) quality service and reasonable rates; (ii) access to advanced services; (iii) access by rural consumers to an array of

telecommunications services and prices that are reasonably comparable to those available in urban areas. 47 U.S.C. § 254(b). There is no question that every new cell site Chinook constructs will advance the principle of universal service that consumers in rural areas deserve the same kinds of health, safety, and economic development benefits as those available in our nation's urban areas.

42. In its *First Report and Order* implementing the 1996 Act's universal service provisions, the FCC adopted the additional universal service principle of competitive neutrality, meaning that universal service mechanisms and rules should "neither unfairly advantage nor disadvantage one provider over another, and neither unfairly favor nor disfavor one technology over another."³⁰ As discussed in Sections VI.B.1 and VI.B.4 *infra*, designation of Chinook will result in improved service and greater access to wireless telecommunications by rural Montanans, providing them with service and rate plans comparable to those available in urban areas. Chinook's designation also will promote the universal service principle of competitive neutrality by allowing a new market entrant with a different technological platform the opportunity to compete and have access to the same kinds of support available to incumbent wireline carriers.

- (j) *the public convenience, including things such as mobility, quality of service, availability of competition, and market choices.*

43. Chinook's designation as an ETC in Montana would serve the public convenience by providing increased access to mobile telephone service, as discussed in Section VI.B.1, *infra*. Chinook is committed to providing high-quality service and to providing consumers with competitive offerings and the ability to choose their service provider and to select from a variety

³⁰/ *First Report and Order, supra*, 12 FCC Rcd at 8801.

of service offerings. There is no question that the availability of high-quality mobile wireless service has positive economic development benefits. Businesses that consider moving into an area, or consider moving out, assess the availability of high-quality mobile services. This consideration directly impacts the employment, tax base, and the overall ability of rural communities to compete.³¹

- (k) *public necessity, including factors such as public safety, reliability of service, ability to operate in emergencies.*

44. Chinook's designation as an ETC in Montana would serve the public necessity by providing consumers in rural areas with peace of mind resulting from the ability to make calls for help on highways or in other areas away from their homes. The availability of high-cost universal service support will also enable Chinook to bolster its emergency functionality, as discussed in Section VI.B.2, *infra*. This functionality will increase with each new cell site that Chinook is able to construct with federal high-cost support.

B. Other Public Interest Considerations.

45. Consideration of the instant Application in light of the eleven considerations enumerated above "clearly demonstrate[s] a public benefit" for Montana consumers. In addition, applying the FCC's public interest framework, Chinook's designation throughout its proposed ETC service area in Montana will serve the public interest, as more fully described below.

^{31/} See *RCC Vermont Rural Order*, *supra*, at p. 50 (finding that "[a]dditional wireless deployment will . . . provide an economic-development benefit because the quality of telecommunications networks is a critical factor for businesses deciding whether to locate or remain in a rural area. Business and community leaders. . . often say that they need high-quality networks to permit contractors, farmers and other businesses that rely on mobile communications to conduct their businesses efficiently."); *Easterbrooke W.V. Rural Order*, *supra*, at p. 61 ("The existence of competitive options for telecommunication service, particularly the availability of wireless service, is important for rural economic development. When making decisions on whether or not to locate their facilities in a given area, businesses consider the availability of reliable voice services, data services and wireless services with sufficient coverage. Rural areas require these services in order to be able to compete with urban and suburban areas in attracting investment and jobs.")

1. Increased Consumer Choice And Service Quality.

46. Designation of Chinook will promote competition and facilitate the provision of advanced communications services to the residents of rural Montana. Residents in many rural areas have long trailed urban areas in receiving competitive local exchange service and advanced telecommunications services. In many rural areas, no meaningful choice of local exchange carrier exists.

47. As noted *supra* and described in more detail in the Direct Testimony of Ernie Peterson, to date, a number of wireless carriers have been designated as ETCs in rural areas by the FCC and state commissions.³² The FCC and state commissions have recognized the advantages wireless carriers can bring to the universal service program. For example, the FCC has found, "[d]esignation of competitive ETCs promotes competition and benefits consumers in rural and high-cost areas by increasing customer choice, innovative services, and new technologies."³³ Several states have reached similar conclusions in designating competitive ETCs in rural areas.³⁴

^{32/} See, e.g., *AT&T Washington Order, supra*; *U.S. Cellular Oregon Order, supra*; *ADT Alaska Order, supra*; *SBI Arizona Order, supra*; *Midwest Minnesota Order, supra*; *RCC Kansas Order, supra*; *Nextel Louisiana Order, supra*; *ALLTEL Michigan Order, supra*; *Centennial Mississippi Order, supra*; *SBI N.M. Order, supra*; *GCC Nebraska Order, supra*; *Verizon Wireless N. D. Order, supra*; *RCC Washington Order, supra*; *Airadigm Wisconsin Order, supra*; *Virginia Cellular, supra*; *Highland Cellular, supra*; *Saipancell, supra*; *Nextel Order, supra*; *WWC Wyoming Order, supra*.

^{33/} See *Western Wireless Recon. Order, supra*, 16 FCC Rcd at 19149 (footnotes omitted):

[T]he primary objective in retaining the rural telephone company's study area as the designated service area of a competitive ETC is to ensure that competitors will not be able to target only the customers that are the least expensive to serve and thus undercut the incumbent carrier's ability to provide service to high-cost customers. Rural telephone companies, however, now have the option of disaggregating and targeting high-cost support below the study area level so that support will be distributed in a manner that ensures that the per-line level of support is more closely associated with the cost of providing service. Therefore, any concern regarding 'cream-skimming' of customers that may arise in designating a service area that does not encompass the entire study area of the rural telephone company has been substantially eliminated.

^{34/} See, e.g., *RCC Kansas Order, supra*, at pp. 22-27 (finding that "[the] improvement and expansion of the existing network will bring competitive benefits to both RCC's current customers and those who will be able to use RCC's service for the first time" and that the applicant's wireless service offers "unique advantages such as mobility

48. With ETC designation, Chinook will 1) implement Lifeline and Link-Up programs which will offer service to low-income customers who have not previously had the opportunity to afford any choice in telephone service; and 2) reach out to rural areas in Montana that have no choice of service provider, or poor or limited wireless coverage, and provide them with quality telephone service. The letters filed in support of this Application (Exhibit G) attest to the fact that the need for quality communications services is just as great, if not greater, in rural areas than in urban areas. Approving this Application will aid in supporting the requirements of public convenience, safety, and mobility in rural as well as urban areas of the State.

49. Chinook currently provides excellent service quality in the areas it currently serves, and with the grant of ETC status, Chinook will be able to maintain and improve its service quality, as well as make service available in areas where new cell sites are constructed.

2. Health and Safety Benefits.

50. As the letters of support contained in Exhibit G confirm, the mobility of Chinook's wireless service will assist "consumers in rural areas who often must drive significant distances to places of employment, stores, schools, and other critical community locations;" and it will provide "access to emergency services that can mitigate the unique risks of geographic isolation associated with living in rural communities."³⁵

and larger calling scopes."); *ALLTEL Michigan Order*, *supra*, at p. 11 ("In this case, designating ALLTEL as an ETC is in the public interest because it is likely to promote competition and provide benefits to customers in rural and high-cost areas by increasing customer choice, while promoting innovative services and new technologies, and encouraging affordable telecommunications services."); *Easterbrooke W.V. Final Order*, *supra*, at p. 20 ("[W]e find the public interest will be served by Easterbrooke's ETC designation in its service territory of WV RSA 5. We also believe that public health and safety would benefit where wire line service is unavailable.").

^{35/} *Virginia Cellular*, *supra*, 19 FCC Rcd at 1576.

51. Citizens in rural areas depend on mobile phones more and more to provide critical communications needs. Designating Chinook as an ETC will provide additional consumer choice and a potential solution to health and safety risks associated with geographic isolation. It is self-evident that every time Chinook adds a cell site or increases channel capacity with high-cost support, the number of completed calls, including important health and safety calls, will increase. E-911, which permits a caller to be located and tracked, will be useless in areas where RF is weak or non-existent. Thus, for every cell site Chinook constructs, the reliability and performance of Chinook's E-911 service will improve. It would be difficult to overstate the important public interest benefit that will be realized by supporting improvement to critical wireless infrastructure.

3. Granting This Petition Will Not Significantly Burden the Federal Universal Service Fund.

52. In the *Nextel Order*, the FCC addressed the question of whether designating NPCR, Inc. d/b/a Nextel Partners ("Nextel") as an ETC in Alabama, Florida, Georgia, New York, Pennsylvania, Tennessee, and Virginia would cause undue strain on the federal high-cost Fund.³⁶ In making that determination, the FCC used the unrealistic scenario of Nextel capturing each and every ILEC subscriber in Alabama -- the state in which the affected ILECs receive the largest amount of support -- which would result in Nextel receiving support equivalent to 1.88 percent of the total high-cost Fund.³⁷ Based on that analysis, the FCC concluded Nextel's designation in all seven states would not "dramatically burden" the federal high-cost Fund.³⁸

³⁶/ See *Nextel Order*, *supra*, 19 FCC Rcd at 16539-40.

³⁷/ See *id.* at n.69.

³⁸/ *Id.* at 16540.

More recently, the FCC specifically rejected the idea of assessing the impact of one designation on the USF, stating that “analyzing the impact of one ETC on the overall fund may be inconclusive.”³⁹

53. Here as well, Chinook’s designation will not burden the USF. According to USAC’s most recent quarterly filing to the FCC, it would receive only 0.6 percent of the federal high-cost fund even if it were to capture each and every line within its proposed ETC service area.⁴⁰ In reality, Chinook will receive a small fraction of that figure.⁴¹ However, even that unrealistically high estimate is a significantly lower percentage than the 1.88 percent figure corresponding to just one of the seven states approved in the *Nextel Order*.

54. Recognizing that the balancing test established by the FCC in its *ETC Report and Order* seeks to weigh the benefits of competition with cost, including the impact of designating multiple carriers to receive USF support, Chinook notes that there can be no balance of public policy favoring competitive choice with policy designed to support high-cost areas unless and until at least one competitive carrier has been designated to serve as an ETC in a high-cost area.

4. Competitive Response.

55. One of the principal goals of the 1996 Act is to “promote competition and reduce regulation in order to secure lower prices and high-quality services for American telecommunications consumers and encourage the rapid deployment of new telecommunications

^{39/} *ETC Report and Order, supra*, 20 FCC Rcd at 6395.

^{40/} See FCC Filings, Second Quarter Appendices – 2007, High Cost Appendix HC01, available on the USAC web site at www.universalservice.org.

^{41/} It is not feasible at this time to estimate Chinook’s initial draw of high-cost support because this amount would be substantially dependent on per-line support amounts that vary by rural ILEC disaggregation zone. USAC does not publish per-line amounts in disaggregated rural ILEC areas until a competitor has been designated in those areas.

technologies.”⁴² Competition in rural areas increases facilities and spurs development of advanced communications as carriers vie for a consumer’s business.

56. Chinook submits that, if it is designated as an ETC and is able to compete for local exchange customers, it will spur a competitive response from affected ILECs as they seek to retain and attract customers. Such a response could include: improved service quality and customer service; new investments in telecommunications plant; more rapid deployment of high-speed data (DSL) service; wider local calling areas; bundled service offerings; and lower prices overall.

57. Further, Congress has mandated that universal service provisions be “competitively neutral” and “necessary to preserve and advance universal service.” See 47 U.S.C. § 253(b). Chinook will provide consumers with wider local calling areas, mobile communications, a variety of service offerings, high-quality service, and competitive rates. By offering customers new choices, the incumbent LECs will have an incentive to introduce new, innovative, or advanced service offerings.

58. In most rural areas, wireless telephone service is today a convenience, but it will not emerge as a potential alternative to wireline service unless high-cost loop support is made available to drive infrastructure investment. Indeed, without the high-cost program it is doubtful that many rural areas would have wireline telephone service even today. It is also evident that the deployment of high-quality wireless telecommunications infrastructure is essential to economic development in rural areas. The consumer benefits of designating a competitive ETC are already becoming evident. With high-cost support in Montana, Chinook will have an opportunity to further improve and expand the geographic scope of its network in order that

^{42/} See 1996 Act (preamble).

customers will have increased access to wireless service for everyday and emergency communications.

59. For all of the above reasons, the public interest would be served by the designation of Chinook as a competitive ETC in Montana throughout its requested service area.

VII. Chinook Will Comply With the Requirements of ARM 38.5 3213.

60. ARM 38.5.3213 requires an Applicant to provide a plan demonstrating the manner in which customers in the service area for which designation is sought have or will have access to service. Such plan for coverage must obtain service coverage of a minimum of 98% within a period of five years.

61. As described in more detail in the Direct Testimony of Ernie Peterson, once Chinook has been designated as an ETC, Chinook will construct new facilities to expand its network, with the goal of achieving 98% coverage as specified in ARM 38.5.3213. Specifically, Confidential Exhibits F-1 through F-8 compare Chinook's current coverage to the proposed expanded coverage and facility construction Chinook plans to implement with high-cost support by the end of 2008. Exhibit E-1 and Confidential Exhibit E-2 provides a general description of the analysis contained in the Chinook's documentation set forth its ETC expansion plans. Confidential Exhibits F-1 and F-5 show Chinook's current coverage and planned expansion, overall. Confidential Exhibits F-2 through F-4 show Chinook's current coverage in each ILEC's service area where ETC designation is sought and Confidential Exhibits F-6 through F-8 show Chinook's planned expansion in each ILEC's service area where ETC designation is sought. In particular, Confidential Exhibit F-5 provides a map of the additional locations Chinook intends to construct facilities upon being designated as an ETC by the end of 2008. In addition, the Direct Testimony of Patrick M. Monroe describes how the planned expansion and construction

of new facilities, coupled with resale and roaming agreements if needed,⁴³ is designed to achieve the goal of 98% coverage required in the Montana rules.

62. Chinook intends to use high-cost support to improve and expand its service throughout the designated ILEC study areas in Montana. The company's ability to achieve the 98% goal within five years depends, in part, on the amount of high-cost support it receives from the federal universal service fund. Nonetheless, the network improvement plan described in Exhibit E-1, Confidential Exhibit E-2, and Confidential Exhibits F-1 through F-8 demonstrates Chinook's commitment to use federal high-cost support to make measurable improvements in coverage for consumers throughout its proposed ETC service area, and it fully intends to meet the 98% goal within five years to the extent possible. Chinook commits to provide the MPSC with annual reports indicating the amount of universal service funding received and providing a detailed explanation and accounting as to how that support is used to benefit the State of Montana.

63. Chinook believes these service provisioning commitments will ensure the company is responsive to consumers' needs while acting as a proper steward of available high-cost support funds.

VIII. High-Cost Certification.

64. Under FCC Rule Sections 54.313 and 54.314, carriers wishing to obtain high-cost support must either be certified by the appropriate state commission or, where the state commission does not exercise jurisdiction, self-certify with the FCC and the USAC their

^{43/} This Commission has permitted ETC Applicants to satisfy the 98% goal with resale and roaming agreements; *see, e.g., Mid-Rivers Order*, Section C(2)(b). The FCC provides that such means are acceptable; *see* 47 C.F.R. § 54.201(d)(1) (A common carrier designated... shall...: (1) Offer the services... either using its own facilities or a combination of its own facilities and resale of another carrier's services (including the services offered by another [ETC]; ..."). Moreover, because an ETC does not receive per-line support based on customers served entirely by resale, it has a strong incentive to improve and expand its network as quickly as possible to transition such customers to facilities-based service and receive the corresponding per-line support.

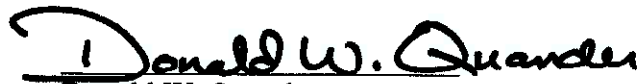
compliance with Section 254(e) of the 1996 Act. 47 C.F.R. §§ 54.313, 54.314. Chinook attaches its high-cost certification letter as Exhibit L hereto. Chinook respectfully requests that the MPSC issue a finding that Chinook has met the high-cost certification requirement and that Chinook is, therefore, entitled to begin receiving high-cost support as of the date it receives a grant of ETC status in order that funding will not be delayed. Chinook respectfully requests that the Commission file such initial certification with the FCC and USAC within the FCC-specified period of 60 days following the effective date of an order designating Chinook as an ETC. The initial certification should specify that it is intended to apply to Chinook's receipt of federal high-cost support from the date of its designation.

CONCLUSION

WHEREFORE, pursuant to MCA 69-3-840 and ARM 38.5.3201, et seq. and Section 214(e)(2) of the Act, Chinook respectfully requests that the Commission, (1) enter an Order designating Chinook as an ETC for its requested ETC service area as shown on Exhibit D hereto, and (2) within 60 days of the effective date of an order designating Chinook as an ETC, certify to the FCC and USAC that Chinook will use the support for its intended purpose.

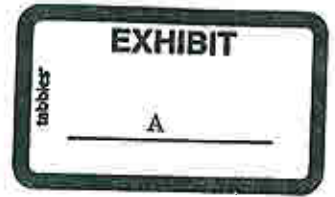
Respectfully submitted this 27th day of February, 2007 for MTPCS, LLC d/b/a Chinook Wireless.

By Its Legal Counsel

A handwritten signature in black ink that reads "Donald W. Quander". The signature is written in a cursive style with a large, stylized "D" at the beginning.

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**DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA**

**IN THE MATTER OF MTPCS,
LLC d/b/a CHINOOK
WIRELESS, Application for
Designation as an Eligible
Telecommunications Carrier**

) **UTILITY DIVISION**
)
) **DOCKET NO. D2007.2.18**
)
)

DIRECT TESTIMONY OF JONATHAN FOXMAN

On Behalf Of

MTPCS, LLC D/B/A CHINOOK WIRELESS

Dated: February 27, 2007

DIRECT TESTIMONY OF JONATHAN FOXMAN

Q. PLEASE STATE YOUR NAME, TITLE, AND BUSINESS ADDRESS.

A. My name is Jonathan Foxman. I am President and CEO of MTPCS, LLC d/b/a Chinook Wireless ("Chinook Wireless" or "Chinook"), the applicant in this proceeding. My business address is Chinook Wireless, 1211 NW Bypass, Great Falls, Montana 59404.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND QUALIFICATIONS.

A. I received a BA in English from the University of Vermont and an MBA from Georgetown University. I have participated in management of three wireless companies. From 1997 to 2001, I was Chief Operating Officer of SOL Communications, a Texas PCS company with GSM-based facilities. I participated in developing that start-up into a hard-working, successful provider of mobile services throughout rural South Texas. My responsibilities included managing relations with lenders and the Board of Directors and working with my reports including the Chief Engineer and the Controller to ensure the company constructed and ran the best wireless network in South Texas. Subsequently, for approximately 3.5 years, I was President and CEO of Highland Cellular, LLC, a provider of cellular service in rural southern West Virginia and adjacent areas of Virginia. Working with Highland's engineers lent me additional insight into challenges of and solutions for providing wireless service to challenging mountainous terrain with varying population distribution.

Finally, I have been President and CEO of Chinook for the past 1.5 years, since its inception. During that time, I have led Chinook through its consolidation of the disparate, smaller wireless networks that comprised its initial backbone and migration of this integrated system to a new, state-of-the-art GSM platform. In addition, I have worked with vendors to provide Chinook's customers with enhanced data, roaming, and emergency capabilities, and worked with Chinook management to plan and execute the leasing and construction of numerous additional cell sites in order to greatly improve coverage within the company's licensed areas, as well as the leasing of additional retail stores to bring service options to more regions of the state. In addition, the company has established a Customer Call Center within Montana, unlike its large, nationwide competitors.

Q. WHAT ARE YOUR RESPONSIBILITIES WITHIN CHINOOK?

A. I am responsible for providing vision and direction for the company, setting goals within the business plan, corresponding and meeting with the Board of Directors, and working with Chinook's managers to resolve problems and achieve objectives from day to day and month to month. I am accountable to the Board of Directors for Chinook's performance, including its compliance with legal requirements. I try to develop and propagate throughout the company strategies for ensuring Chinook provides the best possible service to Montana customers, and I assist Chinook's executives in developing optimum plans to meet these objectives. I meet with vendors, roaming partners, and others with whom Chinook has or seeks to develop agreements. I work with team

managers to ensure Chinook is meeting customers' needs and achieving its mission to provide the best wireless voice and data service in Montana.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?

A. This testimony is intended to support Chinook's application for designation as an Eligible Telecommunications Carrier ("ETC") by this Commission. My testimony provides background about Chinook and its operations in Montana, describes the company's goals and reasons for seeking ETC designation, and discusses how such designation will serve consumers and the public interest. My testimony, together with Chinook's Application, the Direct Testimony of Ernie Peterson and the Direct Testimony of Patrick M. Monroe provide the evidence necessary to demonstrate that Chinook will meet all the required elements of federal and Montana law and Montana Commission rules for designation as an ETC.

Q. PLEASE DESCRIBE THE COMPANY AND ITS PLANS FOR PROVIDING SERVICE IN MONTANA.

A. Chinook is a new, facilities-based wireless company, formed in 2005 to provide superior wireless telecommunications service across Montana. Its goal is to address the significant needs of Montana's consumers, businesses, and public safety jurisdictions for advanced wireless services. Unlike the regional and national carriers with which it competes, Chinook is a Montana-based company focused on serving Montana. It provides this state's citizens with a broad array of enhanced voice and data communications, including Bluetooth connectivity and access to multimedia content, and

seeks funds that would enable it to better provide basic and enhanced capabilities throughout wide areas of the state, thereby increasing citizens' access to new technologies and much-needed means of emergency communications.

Chinook's initial network consisted of wireless assets it acquired from Montana carriers: Blackfoot Communications, Inc., 3 Rivers PCS, Inc., Nemont Communications, Inc., Triangle Communications, Inc., in combination with wireless spectrum assets from the Summit Liquidating Trust. These transactions conveyed to Chinook the physical facilities it used initially to provide service. By purchasing the wireless assets of these companies, Chinook acquired all federal spectrum licenses and tower authority it needed to provide its services within Montana. Chinook holds all state and federal permits, licenses, and other authority required for operation of its business and provision of its services.

Q. WHAT ARE SOME OF THE WAYS IN WHICH CHINOOK HAS DEMONSTRATED ITS COMMITMENT TO SERVING MONTANA?

A. Chinook has demonstrated its serious commitment to serving Montana in several ways. Again, it is primarily focused on serving Montana. All sales, marketing, customer service, and most technical operations are Montana-based. Chinook operates eight retail stores in Missoula, Kalispell, Helena, Butte, Great Falls, Bozeman, and Billings, as well as a full-service Customer Call Center and Operations Headquarters in Great Falls. It has just opened a Technical Operation Center in Missoula.

Chinook has made a substantial investment to entirely replace the legacy networks it acquired with a unified, broader and technologically more advanced GSM/EDGE network, which provides the highest quality voice and data services in Montana. To date, Chinook has invested in excess of \$40 million in Montana. For example, Chinook has added more than 10 new cell sites in Montana in just the first two months of 2007.

Also, Chinook has shown its commitment to investing in people, both as a source of competitive advantage and to benefit the communities it serves. It is noteworthy that ninety percent of Chinook's employees live and work in Montana. Chinook employs approximately 130 Montanans today, up from approximately 40 in mid-2005, and expects to hire and provide additional quality jobs to more than 175 Montanans within the next five years.

Finally, Chinook has shown its commitment to providing coverage to unserved and underserved areas of the state. Chinook provides coverage today in numerous rural areas where service availability from competitors is believed to be either extremely weak or nonexistent, including Choteau, Fairfield, Ennis, Twin Bridges, Pendroy, Sheridan, and Power. Moreover, after a nearly two-year effort, the company recently received approval to construct a site in Browning. This site will bring new coverage to an area of the Blackfeet Indian Reservation that is underserved by the wireless industry today. All this shows Chinook is sincere in its commitment to provide meaningful benefits to the residents of rural Montana.

Q. WHY IS CHINOOK SEEKING ETC DESIGNATION?

A. Chinook is committed to giving rural consumers in this state the opportunity to receive the same level of service and signal quality that consumers have come to expect in big cities and suburbs across the country. It plans to do this by significantly expanding the coverage of its network to reach more communities in the state. Substantial infrastructure investment will be necessary to best accomplish the goal of bringing high-quality wireless service to communities in rural Montana. Support from the High-Cost component of the federal Universal Service Fund ("USF") will enable Chinook to invest in facilities in many remote and underserved areas it would not otherwise have the means to reach for years, if at all. The expansion made possible by this investment will enable Chinook to better achieve its objectives of providing Montana citizens in rural as well as urban areas with access to advanced, ubiquitous voice and data communications capabilities.

Q. IS CHINOOK CURRENTLY ABLE TO RECEIVE FEDERAL HIGH-COST UNIVERSAL SERVICE SUPPORT FOR THE PROVISION OF SERVICE IN MONTANA?

A. No. Until Chinook is designated as an ETC, it will not be eligible to receive federal universal service funds for its provision of telecommunications service in Montana. As a competitive carrier, Chinook is at a severe competitive disadvantage and is limited in its ability to provide a competitive offering to consumers in rural, high-cost areas until it obtains access to the same kinds of universal service support available to the

incumbent LECs and other wireless carriers in its service area. Also, with its primary focus on serving Montana, it is at a competitive disadvantage in comparison to large, nationwide carriers that provide service not only in rural Montana, but also in revenue-rich major population centers across the country.

Q. DO WIRELESS CARRIERS CURRENTLY PAY INTO THE FEDERAL UNIVERSAL SERVICE FUND?

A. Yes; in fact, they contribute far more than they take out. According to the Joint Federal-State Board on Universal Service, wireless carriers and their customers contribute roughly 32% of total contributions to the Fund,^{1/} whereas wireless carriers draw, approximately, only 10.5% from the Fund.^{2/} Since the Fund was created in 1996, more than \$22 billion in support has gone to rural landline phone companies, while just under \$2 billion has gone to rural wireless carriers.^{3/} Yet wireless consumers pay more than \$2.5 billion into the USF each year, and rising. Designating wireless carriers as ETCs helps ensure consumers' communications are supported on a competitively neutral basis.

Q. HOW WILL CHINOOK USE FEDERAL HIGH-COST SUPPORT IN MONTANA?

A. Chinook will use all its federal high-cost support to finance the construction, maintenance, and upgrading of facilities and services in its proposed ETC service area.

^{1/} Trends in Telephone Service, Chart 19.9 (Ind. Analysis Div., Wireline Tel. Bur., FCC, Feb. 2007).

^{2/} Trends in Telephone Service, Table 19.2 .

^{3/} Calculations based on quarterly projections for all ETCs, available on USAC's web site at www.universalservice.org.

Q. WHEN DOES CHINOOK INTEND TO START THESE IMPROVEMENTS?

A. Chinook is currently building new sites at a rapid pace. It intends to use high-cost support to improve the geographic coverage and quality of its network in rural Montana as soon as possible upon designation by this Commission and the commencement of funding. I anticipate planning will commence within a week of receipt of the designation, and construction of the supported sites will commence within six to twelve months of receipt of designation.

Q. IF CHINOOK IS DESIGNATED AS AN ETC, HOW CAN THIS COMMISSION BE SURE ALL FUNDS ARE BEING USED PROPERLY FOR THE PROVISION OF THE SUPPORTED SERVICES IN THE DESIGNATED ETC SERVICE AREA?

A. Chinook is sincerely committed to using all universal service funds received only for the expansion and improvement of its service in its Montana ETC service area. In the event Chinook is granted ETC status, this Commission will be able to verify Chinook's follow-through on that commitment by examining Chinook's filings, including its showings of goals met and future plans. Chinook's filings, which shall be in accordance with all applicable Montana Rules, will include maps and descriptions of its progress in meeting build-out, service quality and coverage targets, and will update the Commission on the company's plans and goals for subsequent reporting periods. In addition, Chinook

will be required by federal law^{4/} to use all support from the USF only for the provision, maintenance and upgrading of facilities and services within its proposed ETC service area. Chinook commits in its application, as supported by its accompanying testimony, to use all support only as intended by law, and to report all its universal service expenditures annually to this Commission in order that it can be assured all support was, in fact, used only for the intended purposes.

Q. HOW WILL CHINOOK'S USE OF HIGH-COST SUPPORT SERVE THE PUBLIC INTEREST?

A. Simply put, federal high-cost support means more cell sites, and more cell sites mean more coverage. Chinook's infrastructure investments will bring greater coverage to many remote and hard-to-serve areas that are not reached by larger carriers. Those carriers have a nationwide business approach that focuses primarily on serving higher-revenue areas such as cities and highways. By contrast, Chinook's focus is on succeeding in Montana, and that means serving the interests of Montanans as well as it can, including serving more communities in Montana. For those communities, the company's USF-supported investments will bring increased public safety, increased business opportunities, and increased competitiveness. Additionally, because Chinook is based in Montana, its success and expansion will mean more jobs and economic growth for Montana. Customers in Montana who choose Chinook's service as expanded by

^{4/} As stated in Section 254(e) of the Telecommunications Act of 1996: "A carrier that receives such support shall use that support only for the provision, maintenance, and upgrading of facilities and services for which the support is intended. Any such support should be explicit and sufficient to achieve the purposes of this section."

high-cost support will benefit from a higher-quality and more competitive system. In addition, customers of other mobile services carriers will benefit from a more robust Chinook network that permits those carriers' roamers to make emergency and other calls. Similarly, out-of-state wireless customers will benefit from a broader and higher quality service when visiting Montana. This should be beneficial to Montana in terms of economic development and tourism. Finally, the value of the entire telephone network in Montana is increased when individuals can communicate with wireless users in more areas. All these benefits are achieved while adding the benefit of local competition, and even making service available to customers who currently lack any existing service.^{5/}

Q. WHY IS WIRELESS SERVICE IMPORTANT FOR RURAL COMMUNITIES?

A. For the communities served, Chinook's construction and operation of more cell sites will mean increased public safety, increased economic opportunities, and increased competition.

The availability of high-quality wireless communications can mitigate the unique risks of geographic isolation associated with living in rural communities. The Testimony

^{5/} In one case, examining an application from RFB Cellular, the Michigan Public Service Commission noted:

On numerous occasions, the Commission has found that competition can be advantageous to the citizens of this state. In this case, designating RFB as an eligible telecommunications carrier is likely to promote competition and provide benefits to customers in rural and high-cost areas by increasing customer choice, while promoting innovative services and new technologies and encouraging affordable telecommunication services. Further, RFB provides service where there are few, if any, competitive local exchange carriers.

Order, *In the Matter of the Application of RFB Cellular, Inc.*, Case No. U-13145, Michigan Public Service Commission (November 20, 2001).

of Chinook's Vice President of Business Development, Ernie Peterson, addresses the public safety benefits of wireless service and how Chinook's use of high-cost support will allow more rural communities to experience those benefits. Our company envisions a Montana where individuals traversing remote areas and businesses serving those areas have the same instant, reliable access to emergency services and other voice and data communications capabilities as those in the busiest urban areas. A stranded driver or skier in less populated areas may have an even greater need for rapid access to local emergency response teams than a citizen seeking assistance within an urban environment. Wireless service often provides those benefits, especially in geographically challenging terrain and at times when unusually strong weather has disabled wireline alternatives.

Other state commissions have noted economic development benefits experienced by rural communities receiving high-quality wireless service for the first time. Every area that lacks reliable wireless communication is at a disadvantage when competing for economic development opportunities. A broad array of businesses, such as high-tech companies, manufacturers, and building contractors, are less likely to enter or remain in areas lacking high-quality wireless communications. Such communications capabilities enable more efficient provisioning of work and realtime communication within and among managers and the work force. As noted by Congress in the 1996 Act, consumers in all areas, including rural regions, deserve the same kinds of choices in telecommunications services as those available in urban areas. Chinook makes available the same services, at the same rates, to all customers within its service area, including

those in rural areas. Mobile handsets are not only important for safety and a convenient aspect of daily life, but also a tool that increases productivity and greatly facilitates informed work at distant locations. These various needs for wireless services are evidenced by the fact that there are now more wireless subscribers than wireline switched access lines across the U.S.^{6/}

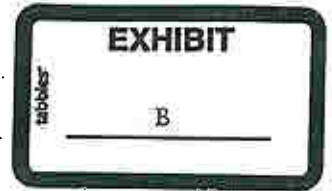
Providing wireless services to residents of less populated areas generates benefits to those residents in aiding rapid access to emergency services, enhancing job satisfaction and economic competition, and also, as a result, boosting the general economic condition of those areas. Moreover, because Chinook's operations are based in Montana, the overwhelming majority of its personnel are Montana residents. Accordingly, the company's success and expansion in rural areas means more jobs and economic growth for the residents of Montana communities.

I firmly believe that for all these reasons, assisting Chinook in its efforts to provide services to wide areas of Montana will greatly benefit Montanans, including individuals, groups and businesses, and by making basic and enhanced telecommunications more available, will provide a significant service to all those within the State. Therefore, Chinook respectfully seeks designation as an ETC from this Commission.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

^{6/} "Local Telephone Competition: Status as of June 30, 2006" (Ind. Analysis & Tech. Div, Wireline Comp. Bur., FCC)(Jan. 2007).



**DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA**

**IN THE MATTER OF MTPCS,
LLC d/b/a CHINOOK
WIRELESS, Application for
Designation as an Eligible
Telecommunications Carrier**

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**UTILITY DIVISION
DOCKET NO. D2007.2.18**

DIRECT TESTIMONY OF ERNIE PETERSON

On Behalf Of

MTPCS, LLC D/B/A CHINOOK WIRELESS

Dated: February 27, 2007

DIRECT TESTIMONY OF ERNIE PETERSON

Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

A. My name is Ernie Peterson. I am Vice President of Business Development for MTPCS, LLC d/b/a Chinook Wireless ("Chinook Wireless" or "Chinook"), the applicant in this proceeding. My business address is: 1211 NW Bypass, Great Falls, Montana 59404.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND QUALIFICATIONS.

A. I attended Montana State University from 1976 to 1977, and then attended Brown Institute of Broadcasting in Minneapolis, where I graduated with highest honors. I also received a two year Technical Degree from the Minneapolis Vo-technical Institute in 1981. I have been employed by Chinook for the past 2 years, starting as the General Manager, prior to my current role as Vice President of Business Development. Prior to that I was employed for approximately seven years by 3 Rivers PCS, Inc. d/b/a 3 Rivers Wireless, one of Chinook's predecessors, as General Manager. Before that, I was Director of Technical Services for Cellular One in Kansas City for ten years.

Q. WHAT ARE YOUR RESPONSIBILITIES WITHIN CHINOOK?

A. I am responsible for development of new business activities for the company, including new service offerings, new market rollout, and business relations. I also engage in contract negotiation and provide managerial support to the departmental operations of the company, including construction, finance and accounting, technical operations, sales, service, and marketing. In addition, I am involved in the annual

business plan design and implementation, including prioritization of the business issues and needs that face all divisions, managing Chinook's priorities and growth so as to balance financial capability with market demands, assuring the quality of the network as the Company expands its subscriber base, assuring the quality of the service to maximize a positive customer experience, and assuring that Chinook's vision and principles are sustained.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?

A. My testimony discusses Chinook's qualifications to be designated as an Eligible Telecommunications Carrier ("ETC") by the Montana Public Service Commission ("Commission"), and why such designation will serve consumers and the public interest generally. I also describe how Chinook satisfies the public interest factors set forth in ARM 38.5.3210, specifically. In addition, my testimony describes the scope of Chinook's ETC request, explains why Chinook seeks ETC status, provides evidence as to how Chinook intends to meet the coverage requirement in the Montana Rule ARM 38.5.3213, and provides evidence that Chinook offers local usage plans that are comparable to those offered by the underlying local exchange carriers in the relevant service areas as required by ARM 38.5.3209(2)(e).

Q. PLEASE DESCRIBE CHINOOK.

A. Chinook is a commercial mobile radio service ("CMRS") provider licensed by the Federal Communications Commission ("FCC"). Unlike many national wireless companies, Chinook's operations are based in Montana, and it is invested in serving

consumers in rural areas, not just in large metropolitan areas and along highways. I believe a great deal of Chinook's success in doing so results from its commitment to superior local customer service and dedication to communities within its service area. Chinook takes pride in delivering a high-quality product, excellent customer service, and competitive pricing.

Q. WHERE IS CHINOOK SEEKING ETC DESIGNATION?

A. Chinook seeks ETC status throughout the entirety of the incumbent local exchange carrier ("ILEC") study areas of Blackfoot Telephone Cooperative, 3 Rivers Telephone Cooperative, Inc., and Qwest Corporation. A map showing Chinook's requested ETC service area is attached to the Application as Exhibit D.

Q. WHY IS CHINOOK SEEKING ETC STATUS?

A. First and foremost, Chinook desires to continue improving its network in ways that would not be feasible without high-cost support from the federal Universal Service Fund ("USF"). The Company would like to install additional facilities that will enable it to provide high-quality service to mobile phone users throughout the subject service areas – Chinook customers and also the customers of other carriers – thereby promoting health and safety by enabling initiation of emergency and other calls throughout a greater geographic area. In order to construct these additional towers, universal service funding would be required. For example, as shown in the maps attached to the Application as Confidential Exhibits F-1 through F-8, Chinook's facilities currently provide coverage to 76.1 % of the 3 Rivers ILEC service area population. With USF support, also as shown

in the maps, Chinook anticipates it could install equipment facilities sufficient to cover as much as 98.6% of the population in 3 Rivers ILEC service area by the year 2008, thus meeting or surpassing the 98% coverage required by the Montana ETC Rules. As discussed below, Chinook intends to meet the coverage requirement in the other ILEC service areas within a five-year period.

In addition, Chinook and its customers pay into the federal USF and therefore should receive the benefits of high-cost support from the USF, including an even more robust network and more advanced service features, options and packages than Chinook offers today. Chinook would like to help rural consumers in Montana experience some of the benefits to which they are entitled.

Finally, Chinook would like the opportunity to compete on a more level playing field with ILECs who have long benefited from implicit and explicit federal subsidies to support their networks in Montana, and a more level playing field with other wireless carriers who already receive USF Support. I believe consumers in rural areas are entitled to access to the same level of wireless coverage and service quality provided by national carriers in the nation's large urban areas. Chinook is firmly committed to providing to high-cost areas the strong coverage and service quality levels it provides to both urban and rural areas its signals already reach. With federal high-cost support, Chinook can invest in upgrading and expanding its network to provide a high-quality, competitive service offering that rural consumers may choose as their primary, exclusive, or complementary telephone service.

Q. EXACTLY WHAT IS CHINOOK'S COMMITMENT REGARDING THE USE OF FEDERAL HIGH-COST FUNDS IN MONTANA?

A. Chinook agrees to use all available USF high-cost support it receives to improve its network infrastructure to offer Montana's rural consumers the highest possible service quality. In addition to investing high-cost support in improving service in areas where it currently provides service, Chinook also commits to invest such support in aggressive expansion of its coverage area in Montana.

Q. ARM 38.5.3213 REQUIRES AN ETC APPLICANT TO PROVIDE A PLAN DEMONSTRATING THE MANNER IN WHICH SERVE CUSTOMERS IN THE AREAS IN WHICH ETC DESIGNATION, WITH A MINIMUM SERVICE COVERAGE OBLIGATION OF 98% WITHIN FIVE YEARS. HOW DOES CHINOOK INTEND TO MEET THE REQUIREMENTS OF THIS RULE?

A. Specifically, when Chinook is designated as an ETC, it will engineer new facilities to expand its network, with the eventual goal of achieving 98% coverage as specified in ARM 38.5.3213. The parameters of Chinook's proposed build-out during the initial period following an ETC designation (through the end of 2008) are set forth in Exhibit E-1, Confidential Exhibit E-2 and the maps attached as Confidential Exhibits F-1 through F-8 to the Application. Confidential Exhibits F-1 and F-5 show Chinook's current coverage and planned expansion through 2008, overall. Confidential Exhibits F-2 through F-4 show Chinook's current coverage in each ILEC's service area where ETC designation is sought and Confidential Exhibits F-6 through F-8 show Chinook's planned

expansion in each ILEC's service area where ETC designation is sought. In particular, Confidential Exhibit F-5 provides a map of the additional locations Chinook intends to construct facilities upon being designated as an ETC by the end of 2008. After ETC designation, as required by the Commission, Chinook will provide the Commission with periodic updates in order to show the Commission its progress toward 98% population coverage.

The initial two-year network improvement plan described in Exhibit E-1, Confidential Exhibit E-2 and Confidential Exhibits F-1 through F-8 demonstrates Chinook's serious commitment to using federal high-cost support to make measurable improvements in coverage for consumers. Although the Company's ability to fully achieve the 98% goal within five years depends, in part, upon the amount of high-cost support it receives from the federal universal service fund, Chinook is resolved to fulfilling its commitment to meet that goal. Moreover, as discussed below and in Patrick Monroe's Direct Testimony, Chinook is committed in Montana to extend its service to all customers upon reasonable request if support is provided.

The Commission will have the ability to track its progress. As described further on pages 10-11, Chinook is committed to providing the Commission with the reports that have typically been required of ETCs, including reports indicating the amount of universal service funding received and how that support is used to benefit the State of Montana, and reports describing the status of its facilities build-out in Montana.

Q. ARE YOU FAMILIAR WITH THE REQUIREMENT IN ARM 38.5.3203 THAT CHINOOK BEARS THE BURDEN OF DEMONSTRATING IT SATISFIES THE REQUIREMENTS FOR DESIGNATION, INCLUDING A DEMONSTRATION THAT THE PUBLIC INTEREST WILL BE SERVED BY ITS DESIGNATION?¹

A. Yes.

Q. HOW WOULD THE PUBLIC INTEREST BE SERVED BY A GRANT OF ETC STATUS TO CHINOOK?

A. Chinook's network quality, service quality, commitment to serve rural Montana, experienced managerial and technical team, and overall performance provide compelling evidence that the company is today providing superior service to rural areas. Simply put, Chinook's customer service is superior and its network is technically sound. Additional Chinook service to such areas will bring these high-quality, state-of-the-art mobile service offerings to additional communities, some of which currently have little or no wireless coverage. The health and safety benefits of mobile wireless service cannot be overstated, and the construction and improvement of wireless communications infrastructure will bring these valuable services to rural areas that do not enjoy them now. Furthermore, as new construction brings reliable mobile wireless service to rural communities, clear economic development benefits will result. In light of these facts, consumers and the public interest will be well served if Chinook is permitted to use high-

^{1/} ARM 38.5.3209(2)(f) also requires an ETC Applicant demonstrate the requested ETC designation is in the public interest.

cost support to construct new facilities in rural Montana. As further evidence, Exhibit G to the Application consists of letters of support for the Application from the Governor's Office of Economic Development, the Missoula Area Economic Development Corporation,, several County Boards of Commissioners, the Butte Economic Development Council, and others, stating that they support efforts to help Chinook provide more extensive coverage.

Q. ARE YOU FAMILIAR WITH THE ELEVEN PUBLIC INTEREST FACTORS, SET FORTH IN ARM 38.5.3210, THAT ARE USED IN EVALUATING APPLICATIONS FOR ETC STATUS?

A. Yes. Those factors are:

- (a) the ability of the eligible telecommunications carrier to provide the supported services in the manner required;
- (b) the ability and willingness of the eligible telecommunications carrier to comply will all laws governing eligible telecommunications carriers;
- (c) the ability of a service area to support or continue to support an additional eligible telecommunications carrier;
- (d) the effect designation of an additional eligible telecommunications carrier will have on an existing eligible telecommunications carrier, primarily in regard to the provision of services and cost as relates to density, terrain, service, and so forth;
- (e) whether the eligible telecommunications carrier technology platform is compatible with broadband and other advanced service offerings and facilitates availability of advanced telecommunications and information services in the areas served;

- (f) the ability of the eligible telecommunications carrier to provide equal access to interexchange carriers in the event no other eligible telecommunications carrier is providing equal access in the service area;
- (g) the extent to which the eligible telecommunications carrier is able to provide service to customers throughout the service area using the eligible telecommunications carrier's own network;
- (h) the effect that designation or maintenance of status will have on the availability of universal service funds;
- (i) the effect that designation or maintenance of status will have on the principles of universal service;
- (j) the public convenience, including things such as mobility, quality of service, availability of competition, and market choices; and
- (k) public necessity, including factors such as public safety, reliability of service, ability to operate in emergencies.

Q. DOES CHINOOK HAVE THE ABILITY TO PROVIDE THE SUPPORTED SERVICES AS REQUIRED IN ARM 38.5.3210(a)?

A. Yes. As confirmed in the Direct Testimony of Patrick M. Monroe, Chinook is able and committed to providing all supported services on the nine-point checklist set forth in the FCC's rules. Mr. Monroe's testimony also describes how Chinook will provide service to consumers throughout its designated ETC service area upon reasonable request by following the six-step service provisioning process approved by the FCC and several states. Additionally, as discussed earlier in my testimony, Chinook commits to use high-cost support to invest in areas where it otherwise would not have sufficient funds to invest, building new facilities and upgrading infrastructure to expand and improve coverage. Chinook will use all available support to improve, maintain and

upgrade its network so as to provide service to as many consumers making reasonable requests for service as possible, at the earliest possible date.

Q. IS CHINOOK WILLING AND ABLE TO COMPLY WILL ALL LAWS GOVERNING ELIGIBLE TELECOMMUNICATIONS CARRIERS AS REQUIRED IN ARM 38.5.3210(b)?

A. Absolutely. Chinook has the ability and is committed to full compliance with all federal and state laws that govern wireless ETCs. I understand non-compliance could lead to the revocation of ETC designation. In addition, Chinook will fully comply with all applicable reporting requirements, including filings that: (1) describe the status of its build-out plans (filed at six-month intervals); (2) provide a map of actual coverage capabilities to be filed within 60 days of a final order and every six months thereafter for the duration of the build-out period; (3) report on quality of service including the number of unsatisfied service requests and the number of customer complaints (quarterly); (4) report on federal universal service fund receipts (both from the High-Cost and Low-Income programs)(quarterly); and (5) file copies of active rate plans. Chinook will cooperate with any audit or investigation conducted by the Commission. Further, I understand the Commission's ETC rules involve an annual certification process for ETCs, and Chinook commits to comply with such process. Chinook also commits to comply with this Commission's applicable service quality rules and all other applicable ARM provisions as applied in the *Sagebrush Order*.

Q. CAN THE SERVICE AREAS IN QUESTION SUPPORT OR CONTINUE TO SUPPORT AN ADDITIONAL ELIGIBLE TELECOMMUNICATIONS CARRIER AS REQUIRED IN ARM 38.5.3210(c)?

A. I am firmly convinced that all areas in which Chinook is seeking ETC designation can support an additional ETC. Since 1996, when federal high-cost support was made available to competitors, I understand there have been more than 180 competitive ETC designations in areas served by rural ILECs around the country.² To my knowledge, there has not been a single case in which the designation of a competitive ETC ("CETC") has resulted in a rural ILEC withdrawing as an ETC. Also, it is my understanding that for nearly all categories of federal high-cost support, ILECs do not lose federal high-cost support even if a CETC is successful. Therefore, I consider it extremely unlikely that an ILEC would be harmed as a result of Chinook's designation.

Q. AS REQUIRED IN ARM 38.5.3210(d), WHAT EFFECT, IF ANY, WILL CHINOOK'S DESIGNATION AS AN ETC HAVE ON ANY EXISTING ELIGIBLE TELECOMMUNICATIONS CARRIERS?

A. Again, I strongly believe ILECs will not be harmed by Chinook's designation as an ETC. First, as discussed above, I'm not aware of any instance in Montana or elsewhere in which an ILEC (or existing CETC) complained of material harm as a result of a new ETC designation. Second, also as discussed above, for virtually all types of high-cost support, ILECs do not lose support as a result of a CETC designation, even if they lose customers to the CETC. Third, because Chinook is requesting ETC status

^{2/} See Universal Service Administrative Company, 2005 Annual Report at p. 8.

throughout the entirety of the rural ILEC's service areas, it will be subject to a requirement to provide service upon reasonable request throughout that area. Because Chinook seeks designation for the entirety of each rural ILEC's study area, there can be no "cream-skimming" concerns such as those that might result from a request for designation for a smaller service area that covers only a portion of a rural ILEC's study area.

Q. IS CHINOOK'S TECHNOLOGY PLATFORM COMPATIBLE WITH BROADBAND AND OTHER ADVANCED SERVICE OFFERINGS, AND DOES IT FACILITATE AVAILABILITY OF ADVANCED TELECOMMUNICATIONS AND INFORMATION SERVICES IN THE AREAS SERVED, AS SET FORTH IN ARM 38.5.3210(e).?

A. Yes. Chinook places a high value not only on voice call coverage, but also on high-quality data features and functionality. To that end, Chinook has deployed state-of-the-art GSM/EDGE data functionality at every cell site providing voice service that it constructs in Montana, and this functionality also will be built into all facilities that are built using universal service funds.³ In addition to enabling many Montanans to experience GSM voice features and service quality that had not previously been available, Chinook offers EDGE wireless data service on the GSM platform. The EDGE network is capable of delivering peak data transmission speeds of up to 473 kbps, with

^{3/} An ETC is not permitted to spend federal high-cost universal support on network facilities used exclusively for the provision of data services. However, such support can be spent on such facilities that are used for both voice and data, such as the GSM/EDGE network facilities discussed *supra*.

average transmission speeds between 160 and 200 kbps. Chinook's network accommodates numerous applications that were not formerly available to Montanans, including support for advanced devices that provide truly mobile e-mail and Internet access. These range from state-of-the-art handsets to Internet tablets to EDGE-enabled laptops.

Q. ARM 38.5.3210(f) REQUIRES AN ETC TO PROVIDE EQUAL ACCESS TO INTEREXCHANGE CARRIERS IN THE EVENT NO OTHER ELIGIBLE TELECOMMUNICATIONS CARRIER IS PROVIDING EQUAL ACCESS IN THE SERVICE AREA. DOES CHINOOK COMMIT TO PROVIDE EQUAL ACCESS IF THOSE CIRCUMSTANCES ARISE?

A. Chinook may be required by the FCC to provide equal access in the event no other ETC is providing equal access in the relevant service area. As discussed above, Chinook certifies that, should those circumstances arise and it is required by the FCC to do so, it will provide equal access.

Q. ARM 38.5.3210(g) REQUIRES AN ETC APPLICANT TO DEMONSTRATE IT IS ABLE TO PROVIDE SERVICE TO CUSTOMERS THROUGHOUT THE SERVICE AREA USING ITS OWN NETWORK. DOES CHINOOK MEET THIS REQUIREMENT?

A. Yes. As described further in the Direct Testimony of Patrick M. Monroe, Chinook plans to provide service to all consumers, upon reasonable request, using its own facilities, throughout the area within which ETC designation is received. In

addition, as I have testified, Chinook will use all available support to improve and upgrade its network so as to provide service to as many requesting consumers as possible at the earliest possible date.

Q. ARM 38.5.3210(h) REQUIRES AN ETC APPLICANT TO ADDRESS WHAT EFFECT, IF ANY, WILL CHINOOK'S DESIGNATION AS AN ETC HAVE ON THE AVAILABILITY OF UNIVERSAL SERVICE FUNDS. DO YOU BELIEVE THERE WILL BE ANY EFFECT?

A. As discussed earlier in my testimony, I have seen no indication that competitive ETC designations have adversely affected ILECs or their customers.

In fact, the FCC concluded that even NPCR, Inc. d/b/a Nextel Partners ("Nextel") could be designated as an ETC in Alabama, Florida, Georgia, New York, Pennsylvania, Tennessee, and Virginia without unduly straining the federal high-cost Fund.⁴ Moreover, the FCC reached this conclusion even though it used the unrealistic scenario of Nextel capturing each and every ILEC subscriber in Alabama – the state where affected ILECs receive the largest amount of support – which would result in Nextel receiving support equivalent to 1.88 percent of the total high-cost Fund.⁵

Most importantly, Chinook's designation as an ETC will not significantly burden the federal USF. Chinook is a relatively small carrier, and the amount of support that would flow to it is like a glass of water compared to a waterfall. Even in the unlikely

⁴/ See *Nextel Order, supra*, 19 FCC Rcd at 16539-40.

⁵/ See *id.* at n.69.

event Chinook captured each and every ILEC subscriber line within its proposed ETC service area, it would receive less than one percent of the federal high-cost fund.⁶ Under any reasonable analysis, Chinook's designation as an ETC in Montana would have a negligible effect on the total support paid from the USF, while it would return federal money to the state to improve rural telecommunications infrastructure.

Q. WHAT EFFECT WILL CHINOOK'S DESIGNATION AS AN ETC HAVE ON THE PRINCIPLES OF UNIVERSAL SERVICE (ARM 38.5.3210(i))?

A. I firmly believe Chinook's designation as an ETC in Montana will advance the principles of universal service as set forth by Congress, the FCC, and this Commission. The universal service principles enumerated in the 1996 Telecommunications Act are, in pertinent part: (i) quality service and reasonable rates; (ii) access to advanced services; (iii) access by rural consumers to an array of telecommunications services and prices that are reasonably comparable to those available in urban areas. Chinook offers high-quality telecommunications services at rates that are affordable. The availability of Lifeline and Link-Up discounts will further promote access to affordable telecommunications service in rural areas where Chinook provides service. Chinook is committed to invest high-cost universal service support in improving its network and increasing customer access to its service in rural areas, with the ultimate goal of 98 percent coverage. Every new cell site Chinook constructs will advance the universal service principle of providing consumers in rural areas with the same kinds of health, safety, and economic development benefits

^{6/} See FCC Filings, Second Quarter Appendices – 2007, High Cost Appendix HC01, available on the USAC web site at www.universalservice.org.

as those available in our nation's urban areas. Additionally, Chinook will continue to pay into the USF as required by the FCC, regardless of whether it is designated as an ETC.

Finally, Chinook's designation also will promote universal service by allowing a new market entrant with a different technological platform the opportunity to compete and provide consumers with choices in telecommunications services that would not otherwise be available.

Q. ARM 38.5.3210(j) REQUIRES AN ETC APPLICANT TO ADDRESS HOW ITS DESIGNATION AS AN ETC SERVES THE PUBLIC CONVENIENCE, INCLUDING ELEMENTS SUCH AS MOBILITY, QUALITY OF SERVICE, AVAILABILITY OF COMPETITION, AND MARKET CHOICES. PLEASE DESCRIBE HOW CHINOOK'S DESIGNATION WILL SERVE THE PUBLIC CONVENIENCE.

A. Chinook's designation as an ETC in Montana will serve the public convenience by providing increased access to mobile telephone service. In every area where Chinook constructs a cell site that improves coverage, consumers will experience competitive offerings, the ability to choose their service provider, and the option to choose among a variety of rate plans with different combinations of monthly rates, local calling areas, and vertical features.

Also, the availability of high-quality mobile wireless service has positive economic development benefits, in that businesses assess the availability of high-quality

mobile services when considering moving in or out of a given locale.⁷ This consideration directly impacts employment levels, tax base, and the overall ability of rural communities to compete. While rural areas historically are at a disadvantage in this regard, Chinook's designation will improve the availability of high-quality wireless service in many rural areas in Montana, thereby enhancing their appeal for businesses as well as residential customers. Used properly, USF support will drive infrastructure development and opportunities for citizens who live in smaller towns and on secondary roads.

Q. ARM 38.5.3209(e) REQUIRES AN ETC APPLICANT TO DEMONSTRATE IT OFFERS A LOCAL USAGE PLAN COMPARABLE TO A PLAN OFFERED BY THE INCUMBENT LOCAL EXCHANGE CARRIER. PLEASE DESCRIBE HOW CHINOOK PLANS SATISFY THIS REQUIREMENT.

A. Chinook offers consumers the ability to choose from a variety of plans with different combinations of local calling areas, included minutes, and monthly rates to suit individual consumer needs. In addition, with the ability to choose rate plans that meet their calling patterns and preferences, our customers can select rate plans that are comparable to the rate plans offered by the ILECs in the same areas.

^{7/} See *RCC Atlantic, Inc.*, Docket No. 6394 (Vt. Pub. Serv. Bd., Sept. 29, 2004) ("*RCC Vermont Rural Order*") at p. 50 (finding that "[a]dditional wireless deployment will . . . provide an economic-development benefit because the quality of telecommunications networks is a critical factor for businesses deciding whether to locate or remain in a rural area. Business and community leaders. . . often say that they need high-quality networks to permit contractors, farmers and other businesses that rely on mobile communications to conduct their businesses efficiently."); *Easterbrooke Cellular Corp.*, Docket No. 03-0935-T-PC (W. Va. PSC, May 14, 2004) ("*Easterbrooke W.V. Rural Order*") at p. 61 ("The existence of competitive options for telecommunication service, particularly the availability of wireless service, is important for rural economic development. When making decisions on whether or not to locate their facilities in a given area, businesses consider the availability of reliable voice services, data services and wireless services with sufficient coverage. Rural areas require these services in order to be able to compete with urban and suburban areas in attracting investment and jobs.")

The service offerings and rate plans described in Exhibit H to the Application are comparable in scope and value to the rate plans of the underlying ILECs serving the areas for which Chinook seeks ETC designation. For example, customers of Blackfoot Telephone Cooperative, Inc. ("Blackfoot") can pay \$25 per month for unlimited calling within an expanded calling area consisting of approximately two dozen exchanges (for customers in the Missoula region) or three exchanges (for customers in the Helena region). Customers of 3 Rivers Communications ("3 Rivers") can pay \$29.95 for unlimited calling within a similar local calling area. Customers of Qwest Communications ("Qwest") can sign up for basic residential service for \$32.99 per month, with unlimited calling to an area consisting of several exchanges. These ILEC plans are comparable in value to Chinook's \$39.99 plan, which has a higher monthly rate but includes a local calling area that allows customers to make calls terminating anywhere in the contiguous United States without paying per-minute toll charges. The wide local calling areas available with Chinook's rate plans can deliver significant cost savings to customers.⁸ In sum, Chinook's rate plans satisfy ARM 38.5.3209(2)(e) and the FCC's local usage requirement.⁹

^{8/} *Implementation of Section 6002(b) of the Omnibus Budget Reconciliation Act of 1993, Annual Report & Analysis of Competitive Market Conditions with Respect to Commercial Mobile Servs., Ninth Report*, 19 FCC Rcd. 20597, 20684, para. 214 (2004) ("*Ninth CMRS Competition Report*") (citing studies concluding that "wireless service is cheaper than wireline, particularly if one is making a long distance call or when traveling.").

^{2/} *See* ARM 38.5.3209(2)(e) ("The minimum requirements for designation and maintenance of status as an eligible telecommunications carrier include. . . offering a local usage plan comparable to the one offered by the incumbent local exchange carrier"). *See also* 47 C.F.R. 54.202(a)(4) (requiring a competitive ETC applicant to "demonstrate that it offers a local usage plan comparable to the one offered by the incumbent LEC in the service areas for which it seeks designation.")

Q. WILL CHINOOK OFFER DISCOUNTS TO LOW-INCOME CONSUMERS IN MONTANA?

A. Upon designation as an ETC, Chinook will offer discounts to qualifying low-income consumer in accordance with federal and Montana rules. These discounts include: Lifeline, which offers a discount off of a consumer's monthly telephone bill; Link-Up, which offers a discount off of a consumer's activation fee; and Enhanced Lifeline and Link-up, which offer additional discounts to residents of tribal lands.

Q. FINALLY, ARM 38.5.3210(k) REQUIRES AN ETC APPLICANT TO ADDRESS HOW ITS DESIGNATION AS AN ETC SERVES THE PUBLIC NECESSITY, INCLUDING ALL FACTORS, INCLUDING PUBLIC SAFETY, RELIABILITY OF SERVICE, AND ABILITY TO OPERATE IN EMERGENCIES. PLEASE DESCRIBE HOW CHINOOK'S DESIGNATION WILL SERVE THE PUBLIC NECESSITY.

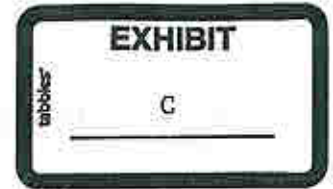
A. Chinook's designation as an ETC in Montana will serve the public necessity by satisfying all factors in the public interest test, as described above. Chinook's designation will provide consumers in rural areas with the peace of mind that comes with the ability to make calls for emergency assistance on highways or in other areas away from their homes. As discussed in the Direct Testimony of Patrick M. Monroe, Chinook provides its subscribers with critical emergency calling capabilities. The Company's wireless network is engineered to provide continued service in emergencies. The availability of high-cost universal service support will enable Chinook to bolster its

emergency functionality as well as subscribers' access to emergency services. This functionality will increase with each new cell site that Chinook is able to construct with federal high-cost support. Sheriffs, emergency medical technicians, and local police, among other emergency respondents, increasingly rely on cellular service. For example, a deputy sheriff presented with a domestic disturbance can call ahead and assess the situation to determine whether anyone is armed, intoxicated, or injured. Local police use digital wireless phones for undercover work because police radios are not always secure. Customers have reported incidents where emergency medical technicians who work in areas where their radios cannot function rely on commercial wireless service as a substitute. In short, Chinook's designation as an ETC in Montana will further the public necessity by providing more expansive and reliable access to emergency services, thereby improving public safety in Montana.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

**DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA**



**IN THE MATTER OF MTPCS,
LLC d/b/a CHINOOK
WIRELESS, Application for
Designation as an Eligible
Telecommunications Carrier**

) **UTILITY DIVISION**
)
) **DOCKET NO. D2007.2.18**
)
)

DIRECT TESTIMONY OF PATRICK M. MONROE

On Behalf Of

MTPCS, LLC D/B/A CHINOOK WIRELESS

Dated: February 27, 2007

DIRECT TESTIMONY OF PATRICK M. MONROE

Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

A. My name is Patrick M. Monroe. I am Vice President, Engineering and Operations, Missoula, with MTPCS, LLC d/b/a Chinook Wireless ("Chinook Wireless" or "Chinook"), the applicant in this proceeding. My business address is: 1201 E. Broadway Missoula, MT 59808.

Q. PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.

A. I received a Bachelor of Science degree in OTD (Electronics, Telecommunications Communications & Computer Science) from Texas A&M University in Corpus Christi, Texas. I have been employed by Chinook for the past five months, all in my present position. Prior to that I was employed for approximately six years by T-Mobile USA, most recently as Regional Director, Network Engineering Operations, Southern USA. I have over 20 years of experience in various technical and leadership roles in the Land Mobile Radio and Telecommunications industries. My technical and management experience includes radio systems, local & long distance switching, ATM, Frame Relay and IP switching, fiber optic and microwave transmission, GSM core network & RF Engineering, cell site development and construction, telecommunications accounting, business development and regulatory matters.

Q. WHAT ARE YOUR RESPONSIBILITIES WITHIN CHINOOK?

A. I am responsible for network capabilities and performance. I manage site-specific design, implementation operations and modifications of the Company's network to meet customer expectations, including all aspects of the Company's operations. I am well versed in the Company's networks and operations, and wireless technology in general.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY TODAY?

A. My testimony describes Chinook's network and its reliable operation. I also describe the services Chinook provides to subscribers, how it ensures service quality, and how high-cost support from the federal Universal Service Fund ("USF") will enable expansion and improvement of these services for the benefit of consumers in Montana. My testimony addresses how Chinook satisfies certain of the requirements for ETC designation set forth in the Montana Rules. Specifically, my testimony describes how Chinook satisfies certain of the requirements in ARM 38.5.3209. The Direct Testimony of Ernie Peterson addresses the remaining requirement: ARM 38.5.3209(2)(e).

Q. PLEASE DESCRIBE CHINOOK'S NETWORK IN MONTANA.

A. Through its existing PCS licenses authorized by the FCC, Chinook is licensed to serve the entire state of Montana. Chinook serves Montana almost exclusively, and its goal is to roll out service rapidly to meet the significant need for high-quality wireless telecommunications in Montana. To date, Chinook has built out its network to cover many highways and major towns, as well as many small towns and rural areas. High-cost support will accelerate Chinook's ability to expand coverage and improve service quality to consumers in rural Montana.

Q. ARE YOU FAMILIAR WITH THE REQUIREMENTS SET FORTH IN ARM 38.5.3209 THAT MUST BE MET BY AN APPLICANT UPON DESIGNATION OR WITHIN A REASONABLE TIME OF DESIGNATION?

A. Yes. ARM 38.5.3209(1) provides:

An applicant for eligible telecommunications carrier status must demonstrate the requirements for designation will be met upon designation or within a reasonable time following designation, and, on request by the commission, existing eligible telecommunications carriers must demonstrate the requirements for designation are being met or will be met within a reasonable time following a review of status proceeding.

ARM 38.5.3209(2) states that the minimum requirements for designation as an ETC include:

- (a) offering the services that are supported by the federal universal service support mechanisms as required by 47 CFR 54.201(d)(1) and identified in 47 CFR 54.101 and 47 USC 254(c);
- (b) advertising the availability of the supported services and the charges for those services using media of general distribution as required by 47 CFR 54.201(d)(2);
- (c) providing the supported services throughout the designated service area to all customers making a reasonable request for service, including low-income, low-density, rural, insular, and high-cost customers, and, for service in rural areas, in a manner reasonably comparable and at a rate reasonably comparable to similar services offered in urban areas;
- (d) satisfying applicable consumer protection and service quality standards;
- (e) offering a local usage plan comparable to the one offered by the incumbent local exchange carrier; and
- (f) demonstrating eligible telecommunications carrier status is in the public interest.

Q. ARM 38.5.3209(2)(a) REQUIRES AN ETC APPLICANT TO DEMONSTRATE THAT IT WILL OFFER THE SUPPORTED SERVICES LISTED IN FCC RULE 47 CFR

54.201(d)(1). WHAT ARE THE SUPPORTED SERVICES LISTED IN FCC RULE 47

CFR 54.201(d)(1)?

A. The supported services are:

- (1) voice grade access to the public switched network;
- (2) local usage;
- (3) dual tone multi-frequency signaling or its functional equivalent;
- (4) single-party service or its functional equivalent;
- (5) access to emergency services;
- (6) access to operator services;
- (7) access to interexchange service;
- (8) access to directory assistance; and
- (9) toll limitation for qualifying low-income consumers.

**Q. DOES CHINOOK PROVIDE VOICE-GRADE ACCESS TO THE PUBLIC
SWITCHED TELEPHONE NETWORK?**

A. Yes. Chinook provides all customers with the ability to make and receive phone calls, with a bandwidth of approximately 2700 hertz within the 300 to 3000 hertz frequency range granted to all carriers on the public switched telephone network ("PSTN"). Moreover, Chinook's service meets the Commission's requirement that transmission quality equal or exceed -104dBm.^{1/} Chinook's customers' handsets modulate a signal based on this full spectrum of voice frequencies, allowing transmission and communication on these frequencies. Furthermore, Chinook's customers enjoy the benefit of the Company's interconnection

^{1/} *In the Matter of Sagebrush Cellular, Inc., Final Order*, Docket No. D2004.1.7, Order No. 6687a (Dec. 7, 2005) at p. 10.

arrangements with carriers including Blackfoot Communications, Inc., Qwest Corporation, and others.^{2/}

Q. DOES CHINOOK PROVIDE CUSTOMERS WITH LOCAL USAGE?

A. Yes. Chinook offers a large number of rate plans that include a variety of local calling areas and varying numbers of local calling minutes. As described in the Direct Testimony of Ernie Peterson, Chinook offers at least one rate plan that is comparable to the local service offerings of the ILECs in the affected areas.

Q. DOES CHINOOK PROVIDE DUAL-TONE, MULTI-FREQUENCY ("DTMF") SIGNALING, OR ITS FUNCTIONAL EQUIVALENT?

A. Yes. Chinook provides the functional equivalent of DTMF signaling, SS7 signaling, a protocol that is overtaking former signaling protocols throughout much of the telecommunications industry.

Q. DOES CHINOOK PROVIDE SINGLE-PARTY SERVICE OR ITS FUNCTIONAL EQUIVALENT?

A. Yes. Chinook provides a dedicated message path for the length of all customer calls. All of Chinook's customers use single party connections.

Q. DOES CHINOOK PROVIDE ACCESS TO EMERGENCY SERVICES?

A. Yes. Chinook currently provides all customers with access to emergency services through 911 service, in all areas where Chinook provides coverage. Standard 911 service enables a customer of Chinook or another customer roaming on its network to reach a Public Safety Answering Point ("PSAP") designated for receipt of 911 calls and have the call directed

^{2/} Chinook and 3 Rivers are currently arbitrating an interconnection agreement before the MPSC.

to the appropriate emergency service provider. In addition, Chinook provides Phase I Enhanced 911 services to jurisdictions requesting and capable of receiving such service, with a rolling deployment period of up to six months.

The improved coverage resulting from the receipt of federal high-cost support will result in more areas where 911 calls can be completed. Such improved coverage will also result in more areas in which a customer can make non-emergency calls, for example to a tow truck or an auto repair facility. Farmers, ranchers, and other business people working away from a landline phone will be able to communicate with their employees and suppliers.

Chinook's network is also being upgraded to offer E-911 Phase II service. As a result of Chinook's network conversion in August, 2006 to GSM, the technology used in Chinook's network for E-911 has changed from a handset-based solution to a network-based solution. Chinook initially received Phase II requests from Cascade, Gallatin, Flathead, Yellowstone and Chouteau counties. The Company notified each requesting PSAP of its conversion to GSM, and it has informed those PSAPS and the FCC that it expects to be delivering Phase II E-911 data on or before March 30, 2007. None of the PSAPs have required implementation earlier than that date. The Company subsequently received E-911 requests from Fergus, Hill and Teton Counties. Chinook and its E-911 vendors are currently working to meet those requests as rapidly as possible. Chinook is regularly updating the FCC on its progress in deploying E-911, and it is keeping PSAPs apprised as well. The Company remains on target for full implementation of Phase II E-911 to requesting PSAPs by March 30, 2007.^{3/}

^{3/} See, Quarterly Report of MTPCS, LLC d/b/a Chinook Wireless, CC Docket No. 94-102 (filed Aug. 1, 2006).

Q. DOES CHINOOK PROVIDE ACCESS TO OPERATOR SERVICES?

A. Yes. Customers may dial "411" to reach a live operator who can also arrange for the billing or completion of a call. Operator services are provided by means of trunks that connect Chinook's switching center to an operator call center staffed with representatives trained to answer and appropriately handle customer calls.

Q. DOES CHINOOK PROVIDE ACCESS TO INTEREXCHANGE SERVICE?

A. Yes. Customers may make and receive interexchange or toll calls through Chinook's direct interconnection arrangements with interexchange carriers ("IXCs"). I should note that access to interexchange service should not be confused with a requirement to provide equal access. It is my understanding that equal access is not a supported service and that the FCC does not require wireless carriers to provide equal access to interexchange services as a condition of ETC designation. As discussed in the Direct Testimony of Ernie Peterson, Chinook commits to provide equal access if ordered to do so.

Q. DOES CHINOOK PROVIDE ACCESS TO DIRECTORY ASSISTANCE?

A. Yes. Customers may access directory assistance by dialing "411" or "(NPA) 555-1212".

Q. DOES CHINOOK PROVIDE TOLL LIMITATION FOR QUALIFYING LOW-INCOME CONSUMERS?

A. Chinook currently has no Lifeline customers in Montana because only carriers designated as an ETC can participate in Lifeline. Once designated as an ETC, Chinook will participate in Lifeline and Link-Up, and will provide toll blocking capability. Today, Chinook provides toll-blocking services for international calls and "900 number" calls. Chinook has the technology to

provide toll blocking and will use this technology to provide the service to its Lifeline customers, at no additional charge.

Q. ARM 38.5.3209(2)(b) REQUIRES AN ETC TO ADVERTISE THE AVAILABILITY OF THE SUPPORTED SERVICES AND THE CHARGES FOR THOSE SERVICES USING MEDIA OF GENERAL DISTRIBUTION AS REQUIRED BY 47 CFR 54.201(d)(2). PLEASE DESCRIBE HOW CHINOOK WILL SATISFY THIS REQUIREMENT?

A. Chinook commits to advertise the availability of each of the supported services detailed above, throughout its designated ETC service area, by media of general distribution and messages to its subscribers. The methods of advertising utilized are likely to include newspaper, magazine, direct mailings, public exhibits and displays, bill inserts, and telephone directory advertising. In addition, Chinook will advertise the availability of Lifeline and Link-Up discounts for qualifying low-income consumers by referencing such benefits in advertising, and by reaching out to community health, welfare, and employment offices to provide information to those people most likely to qualify for those benefits.

Q. ARM 38.5.3209(2)(c) REQUIRES AN ETC TO PROVIDE THE SUPPORTED SERVICES THROUGHOUT THE DESIGNATED SERVICE AREA TO ALL CUSTOMERS MAKING A REASONABLE REQUEST FOR SERVICE, INCLUDING LOW-INCOME, LOW-DENSITY, RURAL, INSULAR, AND HIGH-COST CUSTOMERS. HOW WILL CHINOOK SATISFY THIS REQUIREMENT?

A. The Company will provide the supported services within the designated service area in response to every reasonable request for service, including those from low-income, low-density,

rural, insular, and high-cost customers. In addition, Chinook intends to provide every customer making a reasonable request for service with a handset. In response to such requests for service, the Company intends to follow the six-step process for responding to a request for service set forth in the FCC's rules.^{4/} Pursuant to that process, Chinook will strive to extend signal coverage to every customer making a reasonable request, if such access can be feasibly accomplished through the use of cell extenders, repeaters, and Yagi antennas (antennas installed on the roof or elsewhere at the customer's premises which focus the transmit and receive power in a single direction). In addition, Chinook will enter into resale and roaming agreements, from time to time, that can provide the supported services for requesting customers.

Chinook will report to the PSC all requests for service it is unable to satisfy each quarter, including a description of the steps undertaken in response to the request and the reasons why service could not be provided.

Q. FOR SERVICE IN RURAL AREAS, ARM 38.5.3209(2)(c) ALSO REQUIRES AN ETC TO OFFER SERVICE IN A MANNER REASONABLY COMPARABLE AND AT A RATE REASONABLY COMPARABLE TO SIMILAR SERVICES OFFERED IN URBAN AREAS. HOW WILL CHINOOK COMPLY WITH THIS REQUEST?

^{4/} Section 54.202(a)(1)(A) of the FCC's rules provides:

"Each applicant shall certify that it will (1) provide service on a timely basis to requesting customers within the applicant's service area where the applicant's network already passes the potential customer's premises; and (2) provide service within a reasonable period of time, if the potential customer is within the applicant's licensed service area but outside its existing network coverage, if service can be provided at reasonable cost by (a) modifying or replacing the requesting customer's equipment; (b) deploying a roof-mounted antenna or other equipment; (c) adjusting the nearest cell tower; (d) adjusting network or customer facilities; (e) reselling services from another carrier's facilities to provide service; or (f) employing, leasing or constructing an additional cell site, cell extender, repeater, or other similar equipment".

47 C.F.R. § 54.202(a)(1)(A).

A. Chinook's high-quality telecommunications service and rate plan choices provide its rural consumers with access to wireless communications on par with those available in urban areas in every area where it has coverage. It even provides rural consumers with the same data rates available to its urban customers. As I will discuss later in this testimony, Chinook offers a high level of service quality by emphasizing network reliability and ensuring its ability to function in emergencies. Chinook offers a wide selection of wireless handsets from a number of different vendors, ordinarily including Motorola, Nokia, and Sony Ericsson. Customers can choose from an array of features similar to those available to consumers in urban areas (for example, distinctive ring, voice mail, call forwarding, three-party calling, instant messaging, integrated voice dialing, phone directory, calendar, clock). With rate plans ranging from \$19.99 (for 60 included minutes) to \$119.99 (for 5000 included minutes per month, different combinations of 'anytime' minutes and local calling areas, and optional "nights and weekends") packages, Chinook will bring service to rural consumers at rates that are comparable to those in urban areas. Chinook will continually introduce new rate plans and service features to meet consumers' needs.

Q. ARM 38.5.3209(2)(d) REQUIRES AN ETC TO SATISFY APPLICABLE CONSUMER PROTECTION AND SERVICE QUALITY STANDARDS. WILL CHINOOK COMPLY WITH THIS REQUIREMENT?

A. Absolutely. Chinook commits that it will comply with the consumer protection and service quality standards set forth in the Commission's Rules and followed by other wireless ETCs operating in Montana. As discussed above, Chinook offerings comply with the FCC's bandwidth requirements and support a signal strength of -104 dBm as required by the Montana

Commission. In addition, Chinook commits to adhere to the CTIA Consumer Code for Wireless Service.

Q. WILL CHINOOK WIRELESS OFFER A LOCAL USAGE PLAN COMPARABLE TO THE ONE OFFERED BY THE INCUMBENT LOCAL EXCHANGE CARRIER, AS REQUIRED PURSUANT TO ARM 38.5.3209(2)(e)?

A. Yes. Chinook's satisfaction of this requirement is discussed in the Direct Testimony of Ernie Peterson.

Q. THE SIXTH AND FINAL REQUIREMENT SET FORTH IN ARM 38.5.3209(2) IS THAT THE APPLICANT DEMONSTRATE THAT ITS DESIGNATION WILL SERVE THE PUBLIC INTEREST. WILL THE PUBLIC INTEREST BE SERVED BY CHINOOK'S DESIGNATION AS AN ETC?

A. Yes. This factor is discussed in greater detail in the Direct Testimony of Jonathan Foxman and Ernie Peterson; however, I'll briefly note that from my perspective, the public interest will be served by a grant because Chinook will use high-cost universal service support to invest in improving and expanding its wireless network, in order to bring continue to bring and expand upon the high-quality, reliable service Chinook offers to consumers in rural areas today -- areas that are currently unserved or underserved by wireless carriers.

Q. IS CHINOOK'S NETWORK ENGINEERED TO OPERATE RELIABLY AND IN EMERGENCIES?

A. Yes. Because we operate in a very competitive business, we make every effort to ensure Chinook's network operates reliably. Chinook places a premium on network reliability and the ability to perform in emergencies. The Company employs an experienced engineering and

technical support team that provides on-call emergency support and network monitoring 24 hours a day, seven days a week. Chinook's response time to an outage report is normally less than one hour. In addition, Chinook's system is reinforced by the presence of battery backups installed at its cell sites and switch facilities, accompanied by a permanent backup generator at switch facilities, and portable generators that it is equipped to deploy in the event of an outage, which are capable of running indefinitely in the event of a major electrical outage. Back-up batteries at Chinook's cell sites provide an average of four hours of back-up power. In addition, the Company maintains portable generators that can be moved to individual cell sites to supplement back-up batteries. Because individual transmitter sites are spread out, it is highly unlikely that an electrical outage would affect more than two sites simultaneously. In the event of power or other types of fault, the sites are equipped with alarms that will alert our technicians. Also, the sites are monitored remotely by the switch should there be a total communications failure at the site.

Chinook uses redundant transport and switching facilities, signaling transfer points, and signaling links. Transport from the cell sites to switch facilities is via high-reliability microwave and T-1 transport. Network reliability objectives are voice channel availability of greater than 99.9%. Transport from Chinook's switching facilities to the PSTN is via protected fiber and copper circuits. Signaling transfer points (STP's) are located in Philadelphia and Atlanta, with completely independent signaling links to both STP's. Loss of either STP or associated links will not affect the remaining unit. Each switch has multiple routes to various end offices connected to the PSTN which provides for alternate routing in the event of traffic spikes or if a central office is compromised. The trunking of Chinook's switches to the outside world is

supported by two STPs that provide alternate routes out of Chinook's switching core should one facility be down.

Q. HOW DOES CHINOOK MANAGE EMERGENCY SITUATIONS?

A. Chinook's emergency operations receive the direct and immediate attention of myself and my engineers and technicians located in Missoula, Montana. This Missoula Technical Operations group, herein referenced as the Chinook Wireless Emergency Operations Center ("EOC"), is the single point of contact for Chinook's operations during any event that causes a high-level service outage to its customers.

The EOC coordinates information, response, recovery actions, and Company resources. The objective of the EOC is to optimize communication and coordinate effective information management during periods where major mobilization of Company resources is required. While the Field Operations groups deal with outages on a daily basis, EOC planning can be implemented to augment network operations during high-level service outages or interruptions.

High-level service outages/interruptions are defined as follows.

1. A single event that has the potential to or has caused a network outage, or severe service disruption, to an entire Chinook market area.
2. An unplanned event that can cause death or significant injuries to employees.
3. An event that has the potential to or has caused a network outage, or severe service disruption, where there are no prospects of restoration within 24 hours (for example, a severe fire at a switching office.)

4. Any forecasted weather event that may have the potential to impact a significant number of cell site, microwave or switch facilities (i.e., ice storm, hurricane or other related natural disaster).
5. Any potential catastrophic network outage, or service disruption event where a Chinook Director or Officer of the Company has requested EOC intervention.

In addition, Chinook's processes, planning, maintenance and network design are engineered to minimize any emergency outage effects and facilitate rapid restoration. For example, Chinook conducts regular data backups of the intelligence of all network elements. Accordingly, in the event of emergency, that information can be downloaded onto a replacement network element. As another example, the network's embedded route diversity for interconnection alleviates the effects of outages. Further, Chinook includes in network design a calculated measure of overlapping coverage, so temporary outages of cell sites can result in minor inconvenience rather than a major loss of coverage.

Q. CAN YOU DESCRIBE HOW CHINOOK MONITORS ITS SERVICE QUALITY?

A. Chinook actively monitors its service quality in the following functional areas:

1. Established Call Success Rates at the Beginning of the Call Set-up Process.
2. Established Call Rates in the Traffic Channel. Chinook actively monitors the level of calls dropped from the air interface.
3. Traffic Channel Congestion.

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4. Network Utilization and Blocking for Network Trunks. Chinook monitors, predicts and manages capacity with the goal of a non-blocking network, in every node, in every medium.

5. Network Quality, measured in accordance with GSM standards. Chinook reviews uplink and downlink network quality via tools measuring the standing wave ratio in transmit lines and receive levels degradation.

6. Handover Success Between Cell Sites.

Network measurements are analyzed daily, and many are also available on a real-time basis.

Q. CAN YOU DESCRIBE CHINOOK'S CALL COMPLETION RATE?

A. Chinook's call completion rate is approximately 98%. This is based on switch reports that monitor customer access attempts and record each failure. The number of failures is subtracted from total accesses to give our completion rate.

Q. WHAT TOOLS DOES CHINOOK USE TO DESIGN ITS NETWORK SO AS TO ENSURE THAT CONSUMERS RECEIVE HIGH-QUALITY SERVICE?

A. Chinook uses an RF analysis program called Wizard for its network coverage models, assumptions, and coverage predictions. This tool is widely used within the RF industry and is considered to be one of the more powerful on the market. Chinook generates reverse link coverage plots to the +15 dBm level transmitted from the mobile antenna. The maximum mobile output power is at a +23 dBm level, and Chinook predicts its published maps as honestly and accurately as is feasible using diligent, high professional standards. Coverage contours to the +15 dBm mobile transmit signal level are calculated for each sector for each site and merged into a large composite. Each contour takes into account the net sum of all transmission line losses,

antenna gains and the individual radiation patterns of each antenna. After this step, the net path loss attributed to the distance from the mobile subscriber to the base station is applied to arrive at the required mobile transmit power as measured at the mobile antenna.

Q. HOW DOES CHINOOK ENSURE THAT ITS NETWORK WILL OPERATE AT A HIGH LEVEL?

A. The biggest factor in customer satisfaction is network consistency. This is achieved by designing our system so each handset can effectively communicate with the base stations and dropped calls are minimized. We use our predictive tools to overestimate the "path loss" from the base station to the mobile, meaning that Chinook locates cell sites and calculates the density of cell sites by predicting more degradation in signal from the tower than what actually occurs in the field. Chinook also underestimates the signal strength at the mobile, which means that our handsets are transmitting at a higher power than the model. In sum, we use our models very conservatively so that when we actually construct the facilities, performance in the field is at a level far above the standard wireless engineering design. Upon installation of new facilities, Chinook conducts drive tests to verify these results. If they do not prove out, Chinook makes adjustments necessary to deliver the high level of service quality that it intends to provide to a given area.

Q. WHY IS SERVICE QUALITY IMPORTANT TO CHINOOK?

A. Every business must differentiate itself from its competition. Chinook is not a national carrier. Its business has been built by focusing on rural areas and providing excellent service quality in every area served. We believe that if Chinook's network is better than its competitors' networks, it can capture consumers and keep them from switching to other carriers.

Q. WHAT OTHER STEPS DOES CHINOOK TAKE TO ENSURE SERVICE QUALITY?

A. Chinook's customer service representatives can be reached toll-free and airtime-free any time during business hours. If a call is an emergency or is reporting an outage, the system permits a customer to page Chinook 24/7. Service quality comments are forwarded to the Company's operations department to enable it to monitor network performance and improve customer service. The Company's customer service representatives may be reached toll- and airtime-free, 7 AM to 7 PM, six days a week. Customer service representatives may be contacted through a number of convenient methods, including: (1) visiting any of the Company's 8 locally-owned retail/customer service locations; (2) dialing a 1-888 toll-free number from any phone; (3) dialing 611, toll-free and airtime-free, from a wireless handset; or (4) by contacting Chinook's customer care center through the e-mail address provided on its web site at www.chinookwireless.com.

Q. WHAT IS CHINOOK'S CHURN RATE?

A. Currently it is 2% per month. Chinook measures churn by comparing the number of subscribers who disconnect from its service each month to its number of total subscribers.

Q. CAN YOU DESCRIBE THE COVERAGE CURRENTLY PROVIDED BY CHINOOK IN MONTANA?

A. To date, Chinook has constructed facilities primarily in major towns along the major highways and has begun spreading out into rural communities. As discussed in the Direct Testimony of Ernie Peterson, the addition of high-cost universal service support will accelerate the Company's construction plans to fill in the remaining areas within its service area.

Q. HOW WILL HIGH-COST USF SUPPORT HELP CHINOOK TO IMPROVE SERVICE TO MONTANA'S RURAL CONSUMERS?

A. From a network perspective, Chinook will construct new facilities with high-cost universal service support to improve service quality levels to rural Montana consumers. Chinook is committed to extending its service to all customers upon reasonable request in rural areas in Montana if support is provided. Chinook, like Montana's ILECs, sees many areas where it would like to provide service but cannot do so without USF support. When ILECs began serving Montana, vast areas did not have service. Through implicit and explicit subsidies over the years, ILECs have had an opportunity to extend service to rural areas. Chinook would like that same opportunity. In some areas where signal strength is weak, Chinook could only construct new facilities if it receives high-cost universal service support. Chinook will use that support to construct facilities to improve signal strength and serve rural and high-cost consumers with the same high-quality mobile service urban consumers enjoy today.

Q. DOES THIS CONCLUDE YOUR TESTIMONY?

A. Yes.

THE
JOURNAL
OF
THE
ROYAL ANTHROPOLOGICAL INSTITUTE
VOLUME 10
PART 1
1880

Map of Montana showing the proposed ETC Area and Blackfoot Telephone Cooperative Owest Communications area.

Legend:

- State Boundary
- Proposed ETC Area (Blue)
- Blackfoot Telephone Cooperative Owest Communications (Green)

Counties shown on map: Beaverhead, Blaine, Broadwater, Carbon, Cascade, Chouteau, Daniels, DeWitt, Glacier, Hill, Judith, Lake, Liberty, Lincoln, Mineral, Musselshell, Park, Petroleum, Phillips, Prairie, Richland, Rosebud, Sanders, Shawano, Stillwater, Teton, Treasure, Turner, Valley, Yellowstone, and others.

E

tribble®

State Boundary
Proposed ETC Area
Blackfoot Telephone Cooperative
Qwest Communications
3Rivers Communications

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February 8, 2007

Jonathon Foxman
President, Chinook Wireless
1211 NW Bypass
Great Falls, MT 59404

Re: Chinook Wireless RF Coverage of ILEC Areas for Blackfoot, 3 Rivers, & Qwest

Dear Mr. Foxman,

Per your request, 4G Unwired has calculated the population covered by MTPCS, LLC d.b.a. Chinook Wireless, the licensee of seven 1900 MHz PCS markets in the States of Montana & Wyoming (identified by call sign below), within the three specified Incumbent Local Exchange Carrier (ILEC) boundaries within the State of Montana.

The study was accomplished for two different scenarios:

1. Current coverage from existing base stations in Chinook Wireless' System as of February, 2007.
2. Proposed Coverage from existing and future base stations proposed to be built into Chinook's system through the end of FY 2008.

Methodology

RF coverage was calculated using the Wizard RF Propagation Modeling tool and industry accepted best practice engineering principals.

- The RF propagation model is not tuned for each and every site, but is chosen to fit the most similar RF-propagation environments or morphologies
- A modified Wizard Lee 1900MHz propagation model was utilized and tuned to the Rural coverage areas
- For population coverage purposes, we have used a composite coverage area or "footprint" of the combined sites; the edge of the footprint contour is a RF signal level of -104dBm
- Each site's prediction was carried out 30 miles along 360 one degree radials

The year 2000 Census Block Group Data was used in calculating the total population of the ILEC areas and population under the licensee's 1900 MHz PCS footprint. The RF coverage was calculated with an aggregate contour footprint. Accordingly, a portion of the coverage in an ILEC may result from base stations located in an area adjacent to the ILEC boundary where MTPCS is licensed to provide PCS coverage.



All census calculations were accomplished using the MapInfo geographic information and mapping program making use of the RF propagation analyses from Optimi's Wizard RF modeling tool.

Licensee

MTPCS is the PCS 1900 MHz FCC licensed carrier operating under the following call signs in the respective BTAs (Basic Trading Areas) within the states of Montana and Wyoming.

Call Sign	Market Number	PCS Freq Block	Location
WPOI209	MTA042	A	Spokane/Billings
WPOI210	MTA042	A	Spokane/Billings
KNLF770	BTA041	C	Billings, MT
KNLF935	BTA064	F	Butte, MT
KNLG957	BTA300	F	Missoula, MT
KNLG960	BTA188	F	Helena, MT
KNLG961	BTA053	F	Bozeman, MT
KNLG965	BTA224	F	Kalispell, MT
KNLH394	BTA375	F	Riverton, WY

Summary of Results


A brief summary of the results is listed below. Plots showing the ILEC boundaries and population coverage numbers are attached for your review.

Current Coverage – Overall Coverage Map #1

- **Blackfoot Telephone Cooperative- Map #2:** Approximately **80.0%** of the population of this ILEC's area is covered by Chinook Wireless' -104dBm contour (MTPCS, LLC. as the Licensee). The total population within Blackfoot's ILEC boundary is 19,025 of which Chinook Wireless provides service to areas inhabited by 15,222 of those people.
- **3 Rivers Communications- Map #3:** Approximately **76.1%** of the population of this ILEC's area is covered by Chinook Wireless' -104dBm contour (MTPCS, LLC. as the Licensee). The total population within 3 Rivers' ILEC boundary is 34,748 of which Chinook Wireless provides service to areas inhabited by 26,427 of those people.
- **Qwest Communications- Map #4:** Approximately **96.4%** of the population of this ILEC's area is covered by Chinook Wireless' -104dBm contour (MTPCS, LLC. as the Licensee). The total population within Qwest's ILEC boundary is 602,233 of which Chinook Wireless provides service to areas inhabited by 580,768 of those people.



Proposed Coverage – Overall Coverage Map #5

Chinook Wireless has plans to build out their system from the existing 162 sites to  sites by the end of 2008. This build out will result in the following coverage of the 3 ILEC areas:

- **Blackfoot Telephone Cooperative- Map #6:** Approximately **95.9%** of the population of this ILEC's area will be covered by Chinook Wireless' -104dBm contour (MTPCS, LLC. as the Licensee). The total population within Blackfoot's ILEC boundary is 19,025 of which Chinook Wireless will provide service to areas inhabited by 18,254 of those people.
- **3 Rivers Communications- Map #7:** Approximately **98.6%** of the population of this ILEC's area will be covered by Chinook Wireless' -104dBm contour (MTPCS, LLC. as the Licensee). The total population within 3 Rivers' ILEC boundary is 34,748 of which Chinook Wireless will provide service to areas inhabited by 34,263 of those people.
- **Qwest Communications- Map #8:** Approximately **97.2%** of the population of this ILEC's area will be covered by Chinook Wireless' -104dBm contour (MTPCS, LLC. as the Licensee). The total population within Qwest's ILEC boundary is 602,233 of which Chinook Wireless will provide service to areas inhabited by 585,208 of those people.

If you have any questions or require additional information, please don't hesitate to contact us.

Sincerely,

Jay Seward
Principal Engineer
4G Unwired, Inc.

**DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA**

**IN THE MATTER OF MTPCS,
LLC d/b/a CHINOOK
WIRELESS, Application for
Designation as an Eligible
Telecommunications Carrier**

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)
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)

**UTILITY DIVISION

DOCKET NO. D2007.2.18**

**NON-CONFIDENTIAL SUMMARY
FOR EXHIBIT E-2**

Confidential Exhibit E-2 contains information that Chinook Wireless considers trade secret and subject to the Protective Order entered in this proceeding. Specifically, the information redacted from Confidential Exhibit E-2 contains the number of Chinook cell sites in Montana and the planned number of cell sites that will be constructed in Montana by Chinook by the end of 2008, if Chinook's Application for ETC designation is granted by Montana Public Service Commission. This information is not and would not be available publicly and is not known by Chinook's competitors

THE UNIVERSITY OF CHICAGO
CHICAGO, ILLINOIS
JANUARY 1964

TO THE PRESIDENT OF THE UNIVERSITY OF CHICAGO
FROM THE DEAN OF THE FACULTY
RE: [illegible]

[illegible]

[illegible]

**DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA**

IN THE MATTER OF MTPCS,)	UTILITY DIVISION
LLC d/b/a CHINOOK)	
WIRELESS, Application for)	DOCKET NO. D2007.2.18
Designation as an Eligible)	
Telecommunications Carrier.)	

**NON-CONFIDENTIAL SUMMARY
FOR CONFIDENTIAL EXHIBITS F-1
THROUGH F-8**

Confidential Exhibits F-1 through F-8 contains information that Chinook Wireless considers trade secret and subject to the Protective Order entered in this proceeding. Specifically, Confidential Exhibits F-1 through F-8 contain maps that describe Chinook's current network signal coverage in Montana and its future build out plans if Chinook's Application for ETC designation is granted by Montana Public Service Commission. The maps of both Chinook's current and future signal coverage provide a level of detail that is not and would not be available publicly and is not known by Chinook's competitors. This detail includes contour, quantity, directional and field strength information. If Chinook's competitors had access to this information, they could easily analyze and take advantage of any perceived vulnerabilities in the Company's network and prepare to compete with Chinook Wireless' planned expansion of its network.



GOVERNOR'S OFFICE OF ECONOMIC DEVELOPMENT

State Capitol ★ P.O. Box 200801 ★ Helena, MT 59620-0801 ★ Toll Free: 866 44 BIZMT

February 15, 2007

Public Service Commission
1701 Prospect Ave
P.O. Box 202601
Helena, MT 59620-2601

Dear Public Service Commission:

The Governor's Office of Economic Development recommends that the Public Service Commission (PSC) look positively on the request of Chinook Wireless to be designated as an Eligible Telecommunications Carrier. We know that the PSC recognizes the need for additional cell towers in the rural portions of Montana for public safety and convenience, as well as business use and economic development.

We are all interested in providing better cellular communication capabilities in Montana. Thank you for your work with Chinook Wireless.

Sincerely,

A handwritten signature in black ink, appearing to read "Evan Barrett".

EVAN BARRETT

Chief Business Development Officer

February 15, 2007

Re: Chinook Wireless

Greg Jergeson, Chairman
Montana Public Service Commission
1701 Prospect Ave.
PO Box 202601
Helena, MT 59620-2601

Dear Chairman Jergeson:

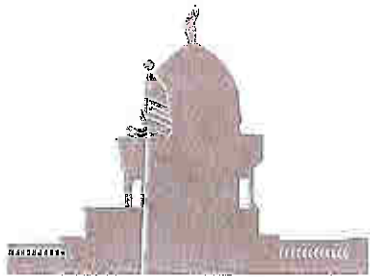
I am writing today to express our support for the application that Chinook Wireless is submitting to the Public Service Commission seeking designation as an "Eligible Telecommunications Carrier" in Montana. The Missoula Area Economic Development Corporation has worked with this company ever since their acquisition of the wireless networks developed by Blackfoot Communications in Western Montana and Three Rivers Telephone Cooperative in Central Montana. The company has clearly demonstrated their commitment to meeting the need for additional cell towers in the rural portions of Montana for public safety, and convenience, as well as business use and economic development.

The "Eligible Telecommunications Carrier" designation is crucial to the company's ability to expand its existing network and improve service to more areas of our state. Providing better cellular communications in Montana is a priority for many other local economic development organizations in our state as well.

We encourage the Public Service Commission to review the company's application as quickly as possible. We hope the Commission will see the clear merit and benefit to be achieved by granting approval.

Sincerely,


Dick King
President/CEO



CASCADE COUNTY

BOARD OF COMMISSIONERS
325 2nd Avenue North
Great Falls, MT 59401
Tel. (406) 454-6810
Fax: (406) 454-6945
commission@co.cascade.mt.us
www.co.cascade.mt.us

December 7, 2006

SUBJECT: Eligible Telecommunications Carrier

Dear Public Service Commission,

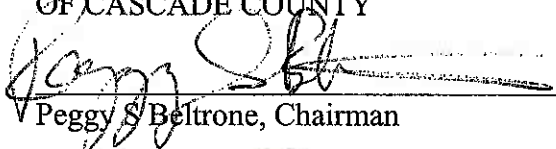
The Cascade Commission has reviewed a request by Chinook Wireless for our support in their desire to receive designation as an Eligible Telecommunications Carrier. It is our understanding this designation clears the way for Chinook Wireless to submit application for use of Federal Universal Service Fund dollars to expand and enhance their cellular phone network.

Cascade County recognizes the need for additional cell towers in the rural portions of our County. Additional capability within our cellular system would enhance our Public Safety, citizen convenience as well as expanding business and economic development opportunities in rural areas.

The Cascade County Commission would like to take this opportunity to voice our support for Chinook Wireless receiving the requested designation as an Eligible Telecommunications Carrier.

Sincerely,

BOARD OF COUNTY COMMISSIONERS
OF CASCADE COUNTY


Peggy S. Beltrone, Chairman


Lance Olson, Commissioner


Joe Briggs, Commissioner

FEB 13 2007



COUNTY OF HILL

Hill County Courthouse

315 4th Street

Havre, Montana 59501

[406] 265-5481 Ext. 227

Fax [406] 265-2445

Douglas A. Kaercher, Chair

Kathy Bessette, Commissioner

Mike Anderson, Commissioner

February 8, 2007

SUBJECT: Eligible Telecommunications Carrier

Dear Public Service Commission:

The Hill County Commission unanimously gives their support to Chinook Wireless in their desire to receive designation as an Eligible Telecommunications Carrier. Hill County recognizes the need for additional cell towers in the rural portions of our county for public safety, and convenience, as well as business use and economic development.

Thank you for your efforts to help Chinook Wireless provide better cellular communications in Hill County. We are hopeful these efforts will continue and Chinook Wireless will expand their services into the rural areas east and west of Hill County.

Sincerely,

Handwritten signature of Douglas A. Kaercher in blue ink.

Douglas A. Kaercher, Chair

Handwritten signature of Kathy Bessette in blue ink.

Kathy Bessette, Commissioner

Handwritten signature of Mike Anderson in blue ink.

Mike Anderson, Commissioner

SUBJECT: Eligible Telecommunications Carrier

Dear Public Service Commission,

The Pondera County _____ Commission, at our regular meeting November 13 unanimously gave support to Chinook Wireless in their desire to receive designation as an Eligible Telecommunications Carrier. Pondera County recognizes the need for additional cell towers in the rural portions of our County for Public Safety, and convenience, as well as business use and economic development.

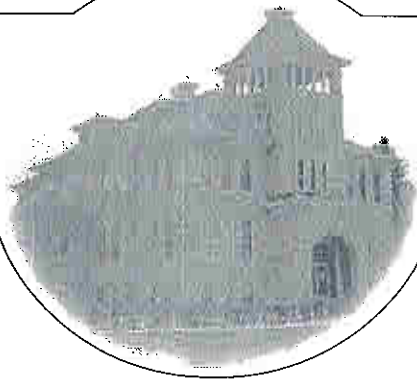
Thank you for your efforts to help Chinook Wireless provide better cellular communications in Pondera County.

Sincerely,


_____, Chairman
Pondera County Commission

TETON COUNTY

MONTANA



BOARD OF COUNTY COMMISSIONERS

P.O. Box 610 • Choteau, MT 59422

tetoncc@3rivers.net

Office: (406) 466-2151 • Fax: (406) 466-2138

November 14, 2006

To Whom It May Concern:

Chinook Wireless is preparing to file with the Montana Public Service Commission to become an Eligible Telecommunications Carrier in the state of Montana. This designation will allow Chinook Wireless to access funds from the Federal Universal Service Fund that have been accumulated by the federal government and are now available to fund improved communications in rural areas.

With this letter, we wish to lend our support to Chinook Wireless in this endeavor.

Sincerely,

Teton County Commissioners

Arnold Gettel
Arnold Gettel
Chairman

R.F. Sam Carlson
R.F. Sam Carlson
Vice-Chairman

Joe Dellwo
Joe Dellwo
Member

SC/deg

R.F. Sam Carlson
District #1

Joe Dellwo
District #2

Arnold Gettel
District #3

*Madison County Telecommunication Committee
P.O. Box 636
Sheridan, Montana 59749*

December 15, 2006

SUBJECT: Eligible Telecommunications Carrier

Dear Public Service Commission,

The Madison County Telecommunications Committee, at our regular meeting on December 6, 2006 unanimously gave support to Chinook Wireless in their desire to receive designation as an Eligible Telecommunications Carrier. Our committee recognizes the need for additional cell towers in the rural portions of our County for Public Safety, and convenience, as well as business use and economic development.

Thank you for your efforts to help Chinook Wireless provide better cellular communications in Madison County. If you should have any questions, please call me at 406-842-7224.

Sincerely,



Scott Payne, Chairman
Madison County Telecommunication Committee



February 6, 2007

Mr. Greg Jergeson
Chair
Montana Public Service Commission
Helena, MT 59601

SUBJECT: Eligible Telecommunications Carrier

Dear Chairman Jergeson,

The Butte Local Development Corporation (BLDC), supports Chinook Wireless' desire to receive designation as an Eligible Telecommunications Carrier. The BLDC recognizes the need for additional cell towers in the rural portions of our state for Public Safety, and convenience, as well as business use and economic development.

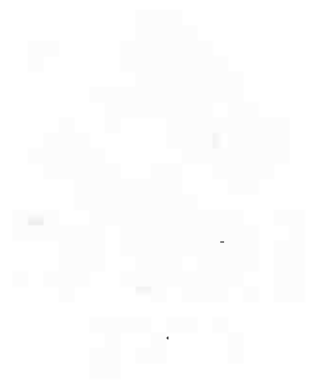
Thank you for your efforts to help Chinook Wireless provide better cellular communications in Montana.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jim Smitham'.

Jim Smitham
Executive Director





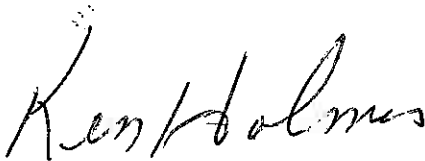
THE
HISTORY
OF
THE
CITY
OF
NEW
YORK
FROM
1609
TO
1812
BY
JOHN
B. HENRY
NEW
YORK
1812

January 22, 2006

To Whom It May Concern:

My name is Ken Holmes and I farm and ranch on the Fairfield Bench. I am also a school bus driver for the Greenfield Grade School. Currently, the School uses phones from Chinook Wireless on the busses for the safety and welfare of the kids. While Chinook offers better service then other carriers overall on the routes I drive, there are still several pockets of poor coverage, and some places where we can't make calls at all.

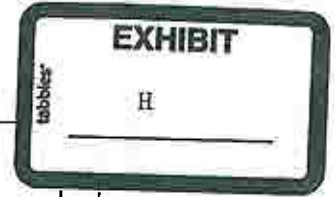
I understand that Chinook is now trying to get Universal Service Funding. If getting that will help them improve coverage, I wholeheartedly support their application

A handwritten signature in cursive script that reads "Ken Holmes". The signature is written in dark ink and is positioned above the printed name and address.

Ken Holmes
Fairfield, MT

CHINOOK WIRELESS SERVICE RATES

Plan Name	Mo. Price	Minutes	Roam Rate	Overage Chrg/Min	Companion Phone	Nationwide Long Distance to Fifty States
60*	\$19.99	60	\$.50	\$.50		
1000*	\$39.99	1000	\$.20	\$.45	\$4.99/phone, up to 2	Free
2000*	\$59.99	2000	\$.20	\$.45	\$4.99/phone. up to 3	Free
3000*	\$74.99	3000	\$.20	\$.45	\$4.99/ phone. up to 3	Free
5000*	\$119.99	5000	\$.20	\$.45	\$4.99/ phone. up to 3	Free
Unlimited**	\$59.99	Unlimited				\$.05/minute
Nation 900***	\$59.99		\$.20	\$.45	\$4.99/ phone. up to 3	Free
Nation 1500***	\$89.99		\$.20	\$.45	\$4.99/ phone. up to 3	Free
Detailed Billing	\$2.00					
Handset Protection	\$4.00					
International	\$.05/minute					



Plan Name	Mo. Price	Minutes	Roam Rate	Overage Chrg/Min	Companion Phone	Nationwide Long Distance to Fifty States
Long Distance – Canada						
International Long Distance – Mexico and other available countries	\$3.99/month \$.20/minute \$.50/minute w/out monthly service agreement					
Text 100	\$4.99	100		\$.10		
Text 1000	\$9.99	1000		\$.10		
Text Unlimited	\$19.99	Unlimited				

* Features included: Unlimited Nights and Weekends, starting at 7 pm; Spill-OvrTM Minutes¹; Unlimited Mobile-to-Mobile, with contract; Caller ID; Call Waiting; Call Forwarding; Voice Mail; 3 Way Calling; Test Messaging, free to receive and \$.10 each to send.

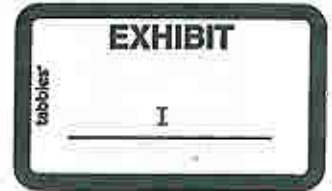
** Features included: Call Waiting; Call Forwarding; Voice Mail; 3 Way Calling; Text Messaging, free to receive and \$.10 each to send.

*** Features included: Unlimited Nights and Weekends, starting at 7 pm; Spill-OvrTM Minutes; Unlimited Mobile-to-Mobile, with contract; Caller ID; Call Waiting; Call Forwarding; Voice Mail; 3 Way Calling; Test Messaging, free to receive and \$.10 each to send.

¹ Spill-OvrTM minutes accumulate and expire through 12 rolling bill periods. Spill-OvrTM also expire immediately upon Default or if customer changes to a non Spill-OvrTM plan. Spill-OvrTM minutes are not redeemable for cash or credit and are not transferable. Night and Weekend and Mobile-to-Mobile minutes do not carry over. If you change from one Spill-OvrTM plan to another Spill-OvrTM plan, any accumulated Spill-OvrTM minutes in excess of the new plan's number of monthly anytime minutes will expire upon such change.

Non-rural Wire Centers in Which ETC Designatin is Requested
Qwest Corporation (Study Area Code 485104)

Exhibit I
Page 1 of 2



WIRE CENTER CODE LOCALITY NAME

AMSTMTMA	Amsterdam
ANCNMTMA	Anaconda
BLDRMTMA	Boulder
BLGRMTMA	Belgrade
BLNGMTMA	Billings
BLNGMTWE	Billings West
BRDGMTMA	Bridger
BUTTMT09	Butte
BUTTMT18	Butte South
BZMNMTMA	Bozeman
CKCYMTMA	Cooke City
CLMBMTMA	Columbus
CLNCMTMA	Clancy
CLPKMTMA	Clyde Park
CLSTMTMA	Colstrip
CNFYMT02	Canyon Ferry
CNRDMTMA	Conrad
CRVSMTMA	Corvallis
CSCDMTMA	Cascade
CTBNMTMA	Cutbank
DLLNMTMA	Dillon
DRBYMTMA	Darby
DRLDMTMA	Deer Lodge
DTTNMTMA	Dutton
EGPKMTMA	East Glacier Park
EHLNMTMA	East Helena
FCTWMTMA	Frenchtown
FRMBMTMA	Fromberg
FRSYMTMA	Forsyth
FRVWMTMA	Fairview
GLGTMtMA	Gallatin Gateway
GLNDMTMA	Glendive
GRFLMTMA	Great Falls
GRNRMTMA	Gardiner
HAVRMTMA	Havre
HLNAMTMA	Helena Main
HLNAMTNO	Helena North
HMTNMTMA	Hamilton
HRDNMTMA	Hardin
JOLTMtMA	Joliet
LARLMTMA	Laurel
LOLOMTMA	Lolo
LVTNMTMA	Livingston
LWTWMTMA	Lewistown
MLCYMTMA	Miles City
MLTWMTMA	Milltown
MNHTMTMA	Manhattan
MSSLMTMA	Missoula
MSSLMTSO	Missoula South

Non-rural Wire Centers in Which ETC Designatin is Requested
Qwest Corporation (Study Area Code 485104)

Exhibit I
Page 2 of 2

OPRTMTMA	Opportunity
PRAYMTMA	Pray
PRCYMTMA	Park City
RBRTMTMA	Roberts
RDLGMTMA	Red Lodge
SDNYMTMA	Sidney
SHLBMTMA	Shelby
SHPHMTMA	Shepherd
STMYMTMA	St. Mary
STVLMTMA	Stevensville
THFKMTMA	Three Forks
TRRYMTMA	Terry
TWNSMTMA	Townsend
ULM MTMA	Ulm
VCTRMTMA	Victor
VGHNMTMA	Vaughn
WGLCMTMA	West Glacier
WHTHMTMA	White Hall
WIBXMTMA	Wibaux
WLCKMTMA	Wolf Creek
WLSLMTMA	Wilsall
WRSPMTMA	Warm Springs
WYLWMTMA	West Yellowstone



Exhibit J

Rural Incumbent Local Exchange Carrier Study Areas In Which ETC Designation Is Requested

Blackfoot Telephone Cooperative, Inc. (Study Area Code 482235)

3 Rivers Telephone Cooperative, Inc. (Study Area Code 482255)



THE UNIVERSITY OF CHICAGO
LIBRARY

100 EAST 57TH STREET
CHICAGO, ILL. 60637

CTIA

Consumer Code *for* Wireless Service

To provide consumers with information to help them make informed choices when selecting wireless service, to help ensure that consumers understand their wireless service and rate plans, and to continue to provide wireless service that meets consumers' needs, the CTIA and the wireless carriers that are signatories below have developed the following Consumer Code. The carriers that are signatories to this Code have voluntarily adopted the principles, disclosures, and practices here for wireless service provided to individual consumers.

THE WIRELESS CARRIERS THAT ARE SIGNATORIES TO THIS CODE WILL:

ONE

DISCLOSE RATES AND TERMS OF SERVICE TO CONSUMERS

For each rate plan offered to new consumers, wireless carriers will make available to consumers in collateral or other disclosures at point of sale and on their web sites, at least the following information, as applicable: (a) the calling area for the plan; (b) the monthly access fee or base charge; (c) the number of airtime minutes included in the plan; (d) any nights and weekend minutes included in the plan or other differing charges for different time periods and the time periods when nights and weekend minutes or other charges apply; (e) the charges for excess or additional minutes; (f) per-minute long distance charges or whether long distance is included in other rates; (g) per-minute roaming or off-network charges; (h) whether any additional taxes, fees or surcharges apply; (i) the amount or range of any such fees or surcharges that are collected and retained by the carrier; (j) whether a fixed-term contract is required and its duration; (k) any activation or initiation fee; and (l) any early termination fee that applies and the trial period during which no early termination fee will apply.

TWO

MAKE AVAILABLE MAPS SHOWING WHERE SERVICE IS GENERALLY AVAILABLE

Wireless carriers will make available at point of sale and on their web sites maps depicting approximate voice service coverage applicable to each of their rate plans currently offered to consumers. To enable consumers to make comparisons among carriers, these maps will be generated using generally accepted methodologies and standards to depict the carrier's outdoor coverage. All such maps will contain an appropriate legend concerning limitations and/or variations in wireless coverage and map

usage, including any geographic limitations on the availability of any services included in the rate plan. Wireless carriers will periodically update such maps as necessary to keep them reasonably current. If necessary to show the extent of service coverage available to customers from carriers' roaming partners, carriers will request and incorporate coverage maps from roaming partners that are generated using similar industry-accepted criteria, or if such information is not available, incorporate publicly available information regarding roaming partners' coverage areas.

THREE

PROVIDE CONTRACT TERMS TO CUSTOMERS AND CONFIRM CHANGES IN SERVICE

When a customer initiates service with a wireless carrier or agrees to a change in service whereby the customer is bound to a contract extension, the carrier will provide or confirm the material terms and conditions of service with the subscriber.

FOUR

ALLOW A TRIAL PERIOD FOR NEW SERVICE

When a customer initiates service with a wireless carrier, the customer will be informed of and given a period of not less than 14 days to try out the service. The carrier will not impose an early termination fee if the customer cancels service within this period, provided that the customer complies with applicable return and/or exchange policies. Other charges, including airtime usage, may still apply.

FIVE

PROVIDE SPECIFIC DISCLOSURES IN ADVERTISING

In advertising of prices for wireless service or devices, wireless carriers will disclose material charges and conditions related to the advertised prices, including if applicable and to the extent the advertising medium reasonably allows: (a) activation or initiation fees; (b) monthly access fees or base charges; (c) any required contract term; (d) early termination fees; (e) the terms and conditions related to receiving a product or service for "free;" (f) the times of any peak and off-peak calling periods; (g) whether different or additional charges apply for calls outside of the carrier's network or outside of designated calling areas; (h) for any rate plan advertised as "nationwide," (or using similar terms), the carrier will have available substantiation for this claim; (i) whether prices or benefits apply only for a limited time or promotional period and, if so, any different fees or charges to be paid for the remainder of the contract term; (j) whether any additional taxes, fees or surcharges apply; and (k) the amount or range of any such fees or surcharges collected and retained by the carrier.

SIX

SEPARATELY IDENTIFY CARRIER CHARGES FROM TAXES ON BILLING STATEMENTS

On customers' bills, carriers will distinguish (a) monthly charges for service and features, and other charges collected and retained by the carrier, from (b) taxes, fees and other charges collected by the carrier and remitted to federal state or local governments. Carriers will not label cost recovery fees or charges as taxes.

SEVEN

PROVIDE CUSTOMERS THE RIGHT TO TERMINATE SERVICE FOR CHANGES TO CONTRACT TERMS

Carriers will not modify the material terms of their subscribers' contracts in a manner that is materially adverse to subscribers without providing a reasonable advance notice of a proposed modification and allowing subscribers a time period of not less than 14 days to cancel their contracts with no early termination fee.

EIGHT

PROVIDE READY ACCESS TO CUSTOMER SERVICE

Customers will be provided a toll-free telephone number to access a carrier's customer service during normal business hours. Customer service contact information will be provided to customers online and on billing statements. Each wireless carrier will provide information about how customers can contact the carrier in writing, by toll-free telephone number, via the Internet or otherwise with any inquiries or complaints, and this information will be included, at a minimum, on all billing statements, in written responses to customer inquiries and on carriers' web sites. Each carrier will also make such contact information available, upon request, to any customer calling the carrier's customer service departments.

NINE

PROMPTLY RESPOND TO CONSUMER INQUIRIES AND COMPLAINTS RECEIVED FROM GOVERNMENT AGENCIES

Wireless carriers will respond in writing to state or federal administrative agencies within 30 days of receiving written consumer complaints from any such agency.

TEN

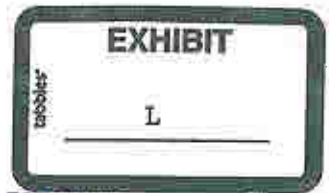
ABIDE BY POLICIES FOR PROTECTION OF CUSTOMER PRIVACY

Each wireless carrier will abide by a policy regarding the privacy of customer information in accordance with applicable federal and state laws, and will make available to the public its privacy policy concerning information collected online.



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406-727-9742
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February 27, 2007

Montana Public Service Commission
1701 Prospect Avenue
P.O. Box 202601
Helena, Montana 59620-2601

Re: MTPCS, LLC d/b/a/ Chinook Wireless
High-Cost Certification

To the Commission:

MTPCS, LLC d/b/a/ Chinook Wireless ("Chinook", "Company") has submitted a Petition to the Montana Public Service Commission ("Commission") for ETC designation in the State of Montana. As required by Sections 54.313(b) and 54.314(b) of the Federal Communications Commission's rules, 47 C.F.R. §§ 54.313(b), 54.314(b), Chinook hereby submits the certification below in order to begin receiving high-cost support in its designated ETC area upon its designation by the Commission.

Accordingly, as Chinook's Vice President of Business Development, I hereby certify on behalf of the Company and under penalty of perjury that all high-cost support provided to Chinook will be used only for the provision, maintenance, and upgrading of facilities and services for which the support is intended, pursuant to Section 254(e) of the Telecommunications Act of 1996, 47 U.S.C. § 254(e). I also certify that I am authorized to make this certification on the company's behalf.


Ernest J. Peterson
Vice President of Business Development

2/27/07
Date



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